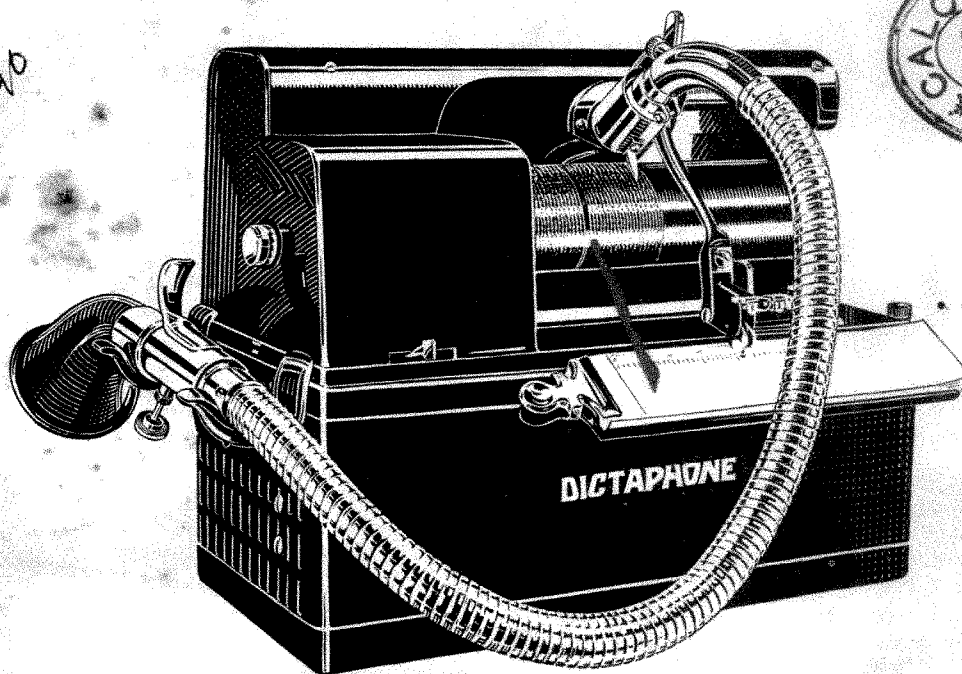


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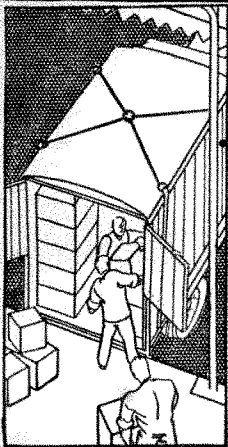
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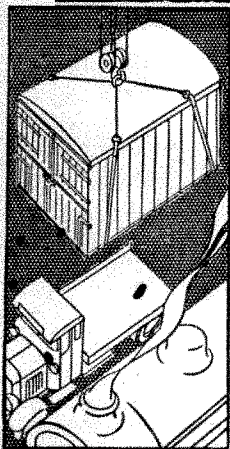
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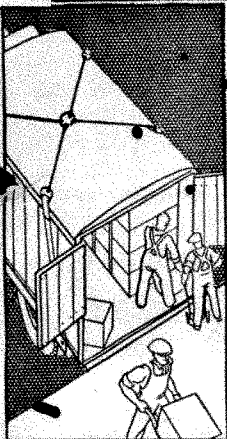
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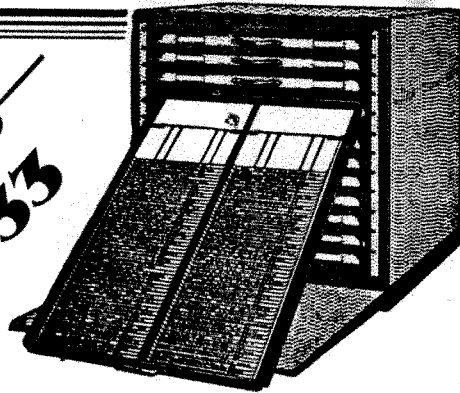
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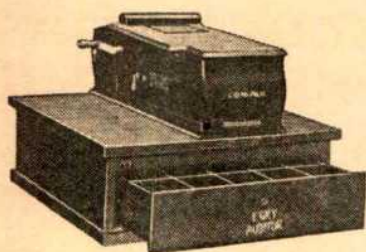
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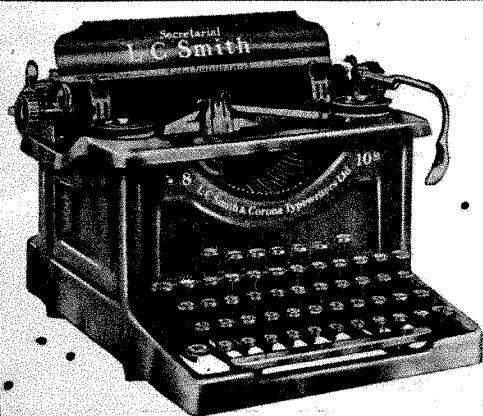
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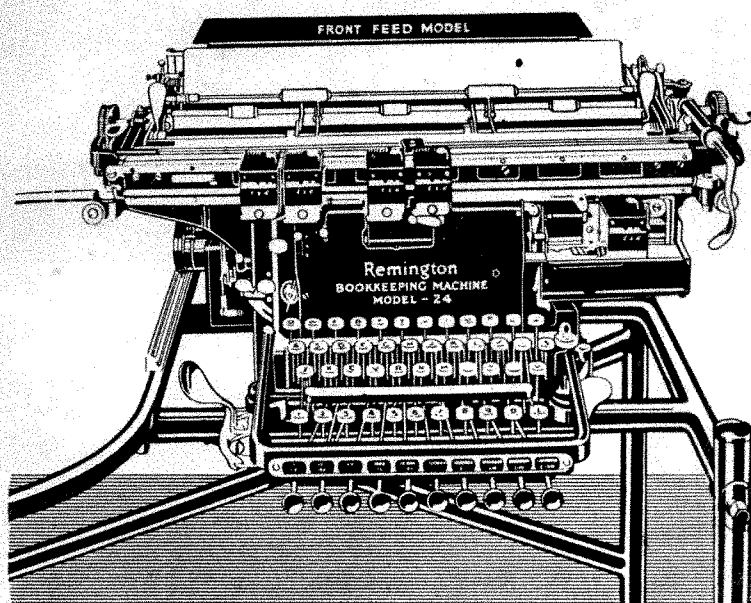
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BUSINESS

JANUARY, 1934

MANAGEMENT • CONTROL • POLICY

How We Train Reservists For Our Front-Line Executives

By C. W. REEVE

Chairman & Managing Director: Associated Equipment Co. Ltd.

In a concern of this size one of the greatest staff problems is the securing of an adequate reserve of executives. By executives I mean men who are capable of running a main department of the firm with no supervision, and the very minimum of direct control from the management. They must be able to work in harmony with their fellow executives, and to take, as it were, the broad view, not the departmental one, in all questions affecting policy which they are called upon to decide.

It is a major endeavour in our staff policy to promote to these ranks from within whenever possible. Indeed, during the last five years only one appointment has been made from outside to fill a higher executive position. To carry out this policy fairly and effectively, we have, naturally, to exercise the greatest care in the original choice of our younger employees.

As a nucleus for the prospective executive type of employee we have a studentship system supervised mainly by the labour superintendent.

The students rarely number more than twelve in one year. They are selected with the utmost care, not only by the labour superintendent, but also by the works manager. Academic attainments, although given weight, are only considered with other factors, in the selection, nor are the prospective student's expressed desires to enter

this or that particular department taken too seriously. At sixteen or seventeen years of age, a boy has no real idea of what he wishes to make of his life beyond a very vague tendency in some general direction. At this stage applicants are submitted to no written examination; we trust to the boy's record and to the long experience of the labour superintendent and his assistant to pick out the likely fellows.

When these young men are finally engaged, the course which they will follow is explained to them, and they are also told that while no guarantee of employment at the end of that course is given, it is from their ranks

that the salaried executives of the future are to be selected.

The labour superintendent then drafts each student to a department, and his course begins. It continues for two, three or four years until he has been through the majority of the departments, both in the works and in the office.

During that time each student is required to spend a portion of time with every section leader in the works, to do every job under the control of that leader, and also, for one day, to do the leader's own work. This at once gives the student a first-hand working knowledge of the various departments and also an elementary knowledge of handling men, a matter which is essential for an executive to understand.

UNDERSTUDIES

Prospective Executives start as 'Students' and graduate through the organization to secondary positions in specific departments. Thus every key executive position is safeguarded by a fully competent understudy ready to take immediate control when needed

These Reports indicate Where Students' Abilities Lie

During this time the students are under the control of the labour superintendent, who arranges with the heads of the departments concerned when drafting to another department is desired. Each section leader regularly reports to the head of his department concerning the progress and apparent abilities of every student under him, and at the end of the term in any one department the departmental head sends to the labour superintendent a final report, based

on the sectional ones. These reports are analysed by the labour superintendent and recorded.

The managing director keeps in touch with the progress of the various students by requiring them to submit a quarterly report noting their activities, their progress through the organization, and any criticisms which they consider may appear to be useful. Here it should be mentioned that with every destructive criticism he sends in the student is encouraged to attach to it a constructive one. These reports are circulated to the managing director and the six chief executives, who, with him, form the Committee of Management.

At the next managing director's meeting the reports are discussed and the suggestions very carefully considered. Usually it is found that there is some economic or commercial reason why the suggestion had not been already adopted. This is noted, and the reason is given to the labour superintendent, whose duty it is to explain the reason "why not" to the student in question.

Although these suggestions are rarely practicable and take up a good deal of time, they are a good indication of the originality of the students. They show, in addition, a convincing proof of the value of the training course, for, while in the first six months the suggestions and criticisms appear in shoals on every report, towards the end of the course they become fewer and fewer, as the student begins to realize that there is a good and sufficient reason for everything that is done or not done in the works. It shows that he is getting a more intelligent grasp of the firm's affairs.

Promotions are then Based on The Reports

When the training course is finished

the reports are handed to the staff controller, who deals with the appointing of all the salaried staff. He has before him a list of appointments, and he fills them from the students as far as possible, working on the analyses of the reports which have been made by the labour superintendent.

Not all the students are appointed, for there are not jobs for all of them. Those who are not, seldom find difficulty in obtaining work, for our course has the reputation of being thorough and comprehensive. We believe that it is as important to turn out a good student as it is to turn out a good motor chassis, for wherever one of our ex-students goes, he is an ambassador for the company, consciously or unconsciously.

Thus we have come to the end of the first half of the career of our home-

THESE FOUR POLICIES Are Getting Results To-day

1. Add an exclusive novelty feature as a "plus" sales value to very expensive lines
2. Use the same "de luxe" feature to introduce cheaper lines to former markets, also to new and more popular markets
3. Manufacture smaller units at proportionately lower prices
4. Manufacture a small special line for the low price multiple shops

Can you apply them to
YOUR Products?

reared executives. He is now in a post as an assistant to a particular departmental head, taking a measure of responsibility, and working in very close touch with his immediate chief and with the head of his department also.

Every Department Head Has His Understudy

Every one of the heads of the departments has a personal assistant, or understudy, who is trained to do the whole of his chief's work when necessary. He is, in addition, the liaison officer between the rest of the department and the head, so that the head of the department may keep his time free for matters other than routine. These assistants are chosen carefully by the head of the department concerned, in consultation with the staff controller and the managing director. They have tangible evidence to work on in the form of the semi-annual reports which are made by the head of the department on every one of his lesser executives when the questions of promotion and increases of salary come up.

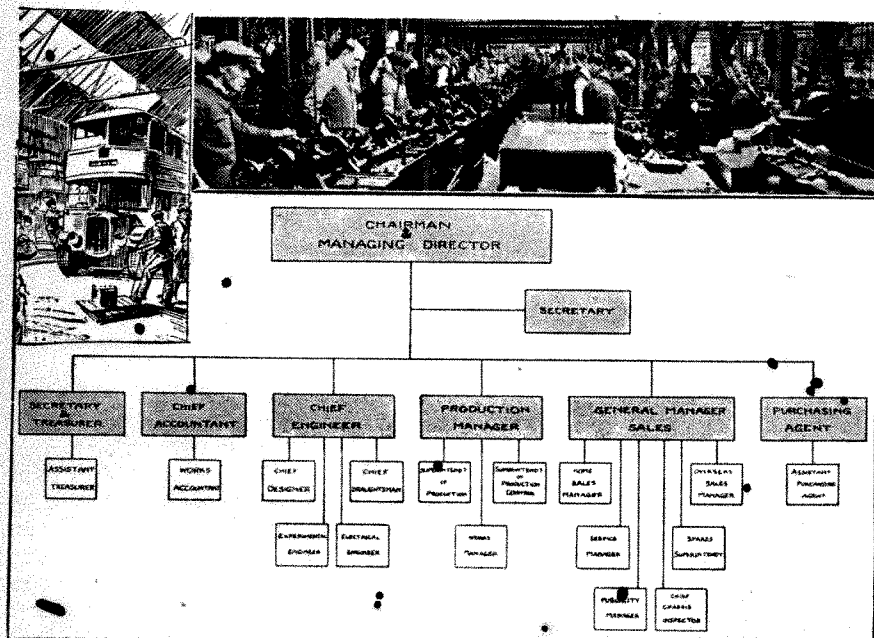
It is an accepted fact that the first assistant to the head of a department steps into his chief's shoes whenever it is necessary. He is frequently required to attend the conferences of the managing director and chief executives, and to take the part in the conference which his chief would have taken had he been present. Men are not infallible, and they cannot last for ever; this is kept in mind in the choice of these first assistants. They are going through the last stages of the transformation from the raw student to the competent and reliable executive.

The Reserve Line Man Now Steps Ahead

Hence, when it comes to the question of finding a man capable of filling the post of department head, capable of carrying the whole responsibility of one phase of the production, we have not a great deal of difficulty; the man is usually there waiting for us, ready to move at a moment's notice from the first assistant's desk to the chief's desk, and take the reins smoothly, without upsetting the rest of the team.

The last but not the least factor in our successful search for the best possible brains in our concern is this: it is well known that salaries paid are commensurate with the responsibilities which our executives have to shoulder. We find that the policy of adequate remuneration is definitely one of the best incentives to wholehearted work; it sharpens the competition among our young men, and brings out the very best that is in them.

What may appear to be elaborate precautions which are made before a man becomes a high executive in the Company are necessary, for, while it is easy to get new and efficient machinery at very short notice, it is far from easy to find fresh and reliable men at short notice unless one has a special reserve to draw on. These ex-students are our reserve.



Here is the A.E.C. line of Executive Control. Successors to the Chief Departmental Executives are promoted from the secondary ranks below them

6 Questions for Management

answered by a
large firm of
radio constructors



From

E. H. CURRY

In a recent issue of *BUSINESS* we asked these six questions. They are important points calling for consideration by the management of all progressive concerns engaged in manufacture. This is how the production director of a large radio manufacturing concern answers them:

1. At what point in production do the greatest wastes occur?

We find that the greatest waste tends to occur in the design stages. Our trade is seasonal; consequently, to keep abreast of changes in fashion and scientific advancement, our products are annually redesigned.

When preliminary models are approved by the sales department we translate the designs into working drawings for actual bulk manufacture. These drawings must be ready in time to order materials and manufacture tools for the factory to begin production at a predetermined date. There is thus much work for the drawing office, and unless the most careful attention is given to economical designing at this stage, undue waste in manufacture must inevitably occur.

The saving of split seconds in production times by careful selection of machines and methods comes more or less as second nature to the experienced designer, but these advantages can be more than offset unless economy in material usage is examined from the same analytical viewpoint. We therefore make it a rule that every drawing, in addition to showing the quantity of material required to produce a thousand components, shall also reveal the allowed amount of material which may be scrapped in the process.

Under this system, every draughtsman naturally looks to his laurels and

tries to show the least possible scrap percentage on every drawing for which he is responsible. If the design is right, production will look after itself.

2. Have you any special methods for keeping attention focused on waste at these points?

This question is broadly answered under No. 1, for the system in the drawing office definitely promotes and encourages economical design. In addition, however, we make every shop foreman responsible for checking the material allowance on the first manufacturing lot of every job produced in his department. If the allowance is too great, a statement to this effect is made on a special form, and this is passed for immediate attention in the drawing office.

A staff of experienced engineers continually further examine processes and methods at all stages of manufacture, with the result that the quality of designing, for economical manufacture, tends always to improve.

3. How do you decide optimum output for machines and operators?

Optimum output for machines and operators is calculated on the machine output capacity on a straight daywork basis. Overtime or night-shift work increases labour costs and is therefore only resorted to in cases of absolute necessity. Often it is found that economical output can be obtained by purchasing new plant to increase machine capacity, rather than by working extra time, and this possibility is always investigated before adopting the latter alternative.

In the case of hand operators, optimum output is governed by the maximum number of operatives that can be accommodated on day-work, consistent of course with the available floor space and facilities. Here, again, the working of extra time is only undertaken, after carefully examining the costs of providing the additional facilities.

4. How do you decide when new machines may be profitably introduced to supplant old ones?

Our purchasing of a new machine invariably depends on whether, by reducing production costs, we shall be able to recover the original capital expenditure inside twelve months. This rule is particularly stringent in the case of special purpose machines, for we have always to remember that a change in fashion may make it unnecessary next year to produce the job for which the special machine is being purchased.

In putting up a case for new equipment, we select a definite job or jobs from the current season's production and then arrange for a practical demonstration of the machine in question. The next step is to estimate the total reduction in manufacturing costs, based on the scheduled requirements of the jobs which have been selected, and at this stage we also consider the following points:

- (1) Can we keep the machine fully occupied throughout the year?
- (2) Can the displaced machine or machines be operated on other useful work?
- (3) Is delivery of the machine sufficiently prompt to enable us to reap full benefit on the bulk of the year's output?
- (4) Is there a possibility of the jobs selected for the machine being standardized for use on future designs?

If the result of investigations on these points is satisfactory the machine is purchased. At no time do we expend capital on new plant without definitely assuring ourselves that the outlay will be fully recovered.

5. What wage payment or incentive systems do you find are giving the best results at the present time?

Ninety per cent of our operatives are paid a flat rate per hour, plus a bonus for quantity allied with quality. Rejected work is deducted from each operator's output figures, and at the

(Continued on page 38)

What are **YOUR** Plans

For 1934?

We Shall Begin Mass Production

By FRED G. LUCAS

Chairman: The Brilliant Sign Co. Ltd.



The year 1934 will be the most important year in the life of this firm since its inception. We always consider that the state of our trade, which is the making of advertising signs, is an indication of the state of trade in general, for as soon as people find trade is

slack they cut down their advertising (quite wrongly), and as soon as there are signs of a revival they rush to place contracts for advertising to help it on. This practice is almost invariable.

Towards the end of November, last year, this firm secured the largest order in the whole of its history, with the possibility of a repeat order if the first is completed within the scheduled time. Hitherto, we have existed on day-to-day business, and while we have consistently had the newest methods of production, for a business which was already nation-wide, we could not say justly that we were in the realms of mass-production.

With this order we have now definitely entered those realms. It is a most gratifying situation for any firm to be in. To cope with it, radical changes have to be made. They are in progress at the present moment. An extra kiln is being installed, for instance, and the plant is being reorganized to ensure a more speedy and easy flow of production.

The fact that these changes are being made will mean that our potential output will be larger, so also will be our wages bill.

We have, as I mentioned above, obtained one huge order, with the possibility of a second one, but in order to progress in the new conditions of working we shall concentrate on securing more business to absorb this increased output. This can be done where mass production is the order of the day, without too much difficulty.

From now henceforth, we aim to build up a steadily-rising sales curve, knowing that to whatever state we build it, we have in our new production arrangements every means to supply the increasing demand.

It is not easy to break into a new field, but we believe that with the sales organization which has been built up here we shall be successful.

One of the important constituents of

our business is an advisory service which considers carefully every individual inquiry, giving attention to local needs and peculiarities. Accurate forecasting of the cost of our installations gives confidence to prospective customers who may be hesitant about the initial expense. We consider this "service" assistance to customers and prospects an important adjunct to any manufacturing and selling concern.

During 1934 we also expect to enlarge our sales staff and to put into effect a great drive for new business. The expense of this will not be light, but we are taking the long view and regard it as an essential investment to development. We have in the past consolidated our position so as to be ready for the psychological moment for branching out. With 1934 this moment has arrived.

Revolutionary Improvement in Product

By C. W. BRETT, M.I.W.E.

Managing Director: Barimar Ltd.

People who manufacture and sell any product must continuously improve their offers, make better and better value for money, if they would make their business progress.

In this year just beginning we are now able to offer to our customers one of the greatest improvements made since the introduction of welding itself. Long and tedious research by our laboratory staff has produced the new Barimar Quick, Low Temperature Welding process.

Without going into technical details, let me say that by this method the welding of metal is now possible

without generation of the enormous heat which was inseparable from previous processes. Engineers will appreciate the significance of this achievement.

What does this mean to our future business? It means that, with the stimulation of the former destructive heat, we are able entirely to remove a major risk that at one time attended every welding job we carried out: i.e., the danger of distortion in the metal of the parts operated upon. This danger, of course, was not always a serious one, but it was always present, and was greater in the larger and more complicated jobs than in the smaller ones.

The removal of this risk means (1) Lower costs and less liability to ourselves; (2) Quicker work in our factory, as the new process also eliminates the need for the subsequent machining of parts, except for the removal of surplus repairing material; (3) We can undertake a wider range of work than



★ HERE ARE FOUR SELF-STARTERS ★

formerly, as now we can undertake more intricate repairs to castings than we could previously tackle; (4) We can give quicker service and guarantee even greater satisfaction to the customers.

It is a peculiar feature of our business that speed is generally essential. Whenever we receive a job it means that somebody's machinery has broken down; somebody is in a desperate hurry to have the repair made and the machinery, whether a motor-car or plant of some sort, back in service again.

We have always organized our routine and works so that the degree of urgency was strictly observed. Every energy

Have you some new product, new selling point, better service — a new and better SOMETHING — with which to expand your business in 1934?

was concentrated upon pushing through the most urgent work at really express speed. Special methods of follow-ups were designed to ensure this.

Our new process means that we can now speed up *every* job, as well as widen the scope of work which we can undertake. It means that broken machinery will be idle for a shorter time; customers will be able to have their guaranteed repairs returned more promptly. This will reduce their losses.

In 1934 we shall therefore be able to start with a wonderfully improved service to offer. We shall use special publicity with which to bring this improvement to the notice of trade and private users. We are confidently looking forward to this month starting what will prove for us to be a record year.

I might emphasize the point of publicity. A highly specialized service such as ours is not the easiest of things to sell. When a trade or a private user needs a welding job, he needs it, as I say, in a hurry. Unless, therefore, the publicity, in addition to announcing the service, continuously advises users exactly *how* to send their repairs to us, it is possible sometimes for undue delay to occur.

This year, therefore, with our new process in use, we shall endeavour to make it *easier* still for users of all kinds to take advantage of our service and for them to enjoy the increased speed which our speeded-up production makes possible.

I myself have always made it a personal duty to watch every step of every

particularly urgent job through the works and to ensure that it is completed, tested and delivered back into the customer's hands in the minimum of time. I shall, of course, continue to do this. But the fact that the whole routine of our operations will, from

now, be faster and better, will make this job of mine even more satisfactory to perform.

One of the points of our publicity will specifically inform customers of this definite activity of the managing director on their behalf. Customers like to know that the head of a concern is actively interested in their business. I consider it a valuable factor of goodwill, a point which is even more important when selling a service than when selling an ordinary product.

Meanwhile, our research staff never rests. They will be continuously on the job, searching for still better processes and service which we can sell.

Securing Better Service from Suppliers

By W. T. NORMAN

Managing Director: W. T. Norman, Ltd.

We are retail furnishers. One of our chief aims, as a business builder in 1934, will be to secure the co-operation of the manufacturers, in return for which we shall be able to place with him still more orders.

It has been our experience in past years that the larger manufacturers have not given first-class service to the smaller trader. The retailer has not, therefore, been able to give to his own customers the business-building service he would like. Our 1934 plan to get such service and co-operation from the manufacturer as will enable us to pass it on, is as follows:

We have carefully checked our records of purchases during 1933 and noted the time taken from receipt of order by the manufacturer to the date of deliveries to our store. Results show that:

70% of manufacturers took 10-14 days

to execute what they called "Delivery from stock";

20% delivered in 4-7 days;

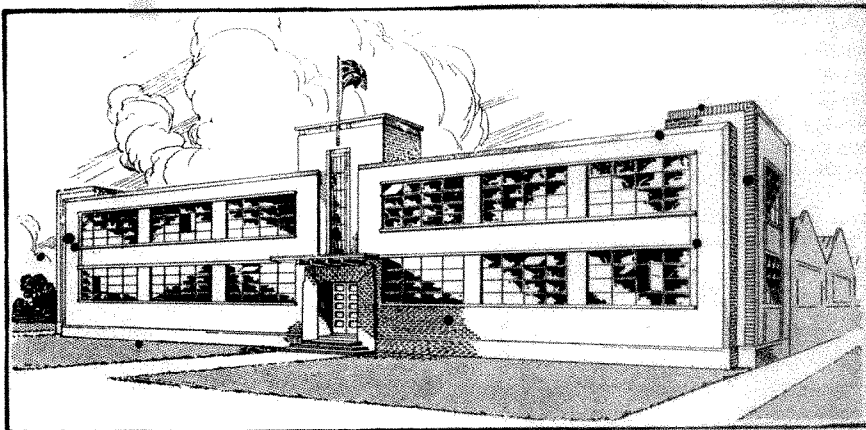
10%, being small manufacturers, delivered in 24 hours.

We have therefore decided to use mainly the small man, and, for "accessibility", to classify him under three heads: (1) hard goods, furniture, etc.; (2) bedding and soft goods; (3) carpets, rugs, lino.

By budgeting ahead for our requirements on average sales, in each department, plus the increase we shall secure in 1934 from our advertising, we have been able to place tentative orders for the whole of our needs. By this we have secured the co-operation of the manufacturers and a guarantee of a maximum of 48-hour delivery, including specials.

We have also planned to increase our sales:

(Continued overleaf)



For 50 years the London depot of L. & C. Hardtmuth has imported Koh-I-Noor pencils manufactured by the Hardtmuth factory in Czechoslovakia. This year, however, will see this new British factory for the manufacture of the pencils at Croydon. The well-lighted two-storied front will house the offices. The factory is an ideal ground floor arrangement in rear. Better and quicker distribution and lower costs will result from this development.

1. Each customer, on January the 1st, will receive a New Year's Greeting by way of a personal letter, thanking the customer for the past support, and stressing one main point: During the past year every article has been sold under a guarantee of satisfaction. Therefore, every customer will be asked to state candidly Yes or No if he has been completely satisfied with his purchase and our service, and invited, if not, to return his purchase, for which he will receive a new article or a full cash refund. This will cement the feeling of personal interest and create confidence for the coming year. The same guarantee will be extended during 1934, and in addition a further guarantee of immediate delivery will be added.

2. A new service of sale or return on an appro. basis will be inaugurated. Any article or suite of furniture will be delivered to the customer's house in order that she may see the actual effect in the house surroundings before she finally decides to purchase. We have proved that the small cost to ourselves in this way is more than repaid, as we make 90% sales and a satisfied customer; moreover, in any case, delivery has to be made, so we are really doing no extra work.

A great part of our business is on hire purchase lines. Hitherto our bad debts in this department have been under 1%. This year we are intensifying our efforts to get even below this figure.

It would take a complete article to describe exactly how we shall do this, but in brief I might explain that a basis of successful hire purchase trading is to help in the selection of goods, so that customers buy what really suits their needs and so are *satisfied with the deal*. Next, to meet the customer generously and promptly, in the case of any fault developing after purchase. We have found that nothing more quickly causes a customer to drop instalment payments than an imaginary complaint about the goods or the service which is not met reasonably by the supplier.

During 1934 we shall be even more careful about the collection of our instalments. We find that customers do not lapse without a reason. We plan, by personal investigation, to discover those reasons and to assist as much as possible in overcoming them. We shall bear in mind, and act upon, two important maxims: (1) It is better to lose an order than to lose the goods; (2) It is continued payment which we want to get from the customer, and not the returned goods.



THE BROADER VIEW



By ROBERT R. UPDEGRAFF

Two Ways of Doing Everything

It is said that one of the most successful business men of our times always insisted that there should be two ways of doing everything. In his business this rule was raised to the status of a law.

Was a certain mechanical device desirable? Then there must be, not one method of producing it, but *two*. Was there only one raw material available for making a product? Then every executive in the company would be made unhappy until a second was found. This policy enabled the organization to get out of many a difficulty; and the *extra* way of doing a thing always kept it well ahead of the field.

It seems to me there is no reason why this policy should be restricted to the field of production. Could not all of us adopt it, in our respective activities? A salesman, even a successful one, should develop more than one standard presentation; the solicitor or politician should always be prepared with a workable alternative. Certainly the business man should have available two methods of reaching his market: two plans for attacking every important problem.

How "Old" is Your Company?

Some ingenious statistician has recently computed the "age" of cities in a new and somewhat startling fashion. His figures are based on the average age of the city's inhabitants.

Thus, Rome, that great old city with its famous ruins of another civilization, becomes one of the "youngest" cities because so many of its citizens are young. On the other hand, Los Angeles, a city that has graced the coast of California for only a few decades, is rated on this new scale as one of the "oldest" cities in the world.

I do not know how much value this ingenious way of measuring the age of cities may have for archaeologists or historians, but it suggests that individual business organizations might be subjected to the same measurement—with results that are equally startling and much more significant. How "old" is *your* company?

Who Does Your Worrying?

A business acquaintance of mine, who has many problems of varying importance to keep on his mind, told me the other day that one of the most helpful things his assistants can do for him is to take over his worrying.

Of course I asked him what he meant, and he explained that certain of his duties recur regularly. He cannot afford to carry these incidental tasks on his mind all the time—yet they must not be neglected. One of his assistants, therefore, becomes responsible for such tasks, "worrying" about them, doing some of the preliminary work, and bringing the subjects up at the right time. In this way this man is able to spend only a few minutes on a job that would otherwise require hours of "worrying".

Never Lost a Campaign

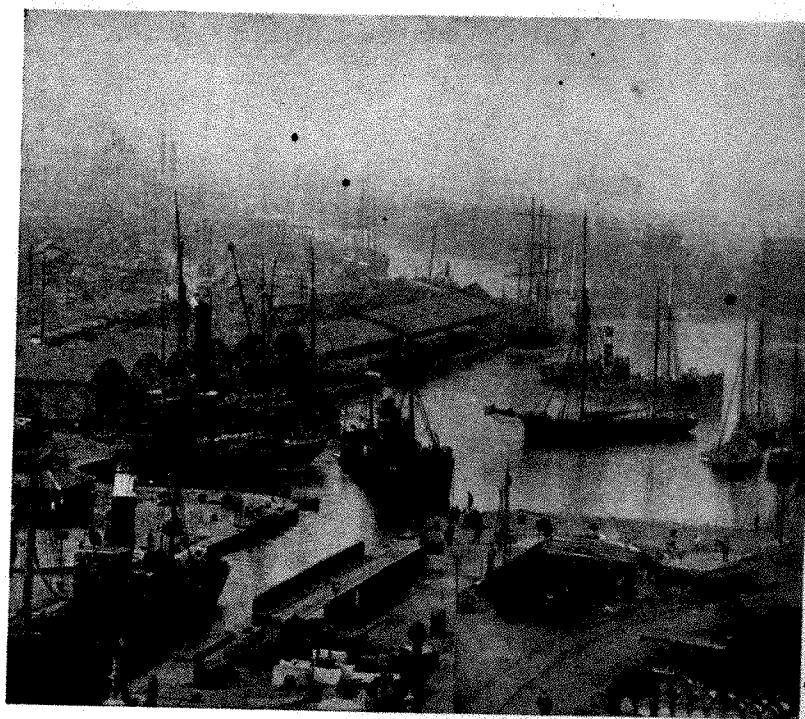
Of General William Tecumseh Sherman, whose famous march from Atlanta to the sea brought victory to the Northern cause in the Civil War in the United States, a biographer says: "He never clearly won a battle, nor ever failed to win a campaign."

It seems to me that in business we place too much emphasis on and set too much store by the day-to-day battles, and depend too little on carefully planned campaigns.

General Sherman won his campaigns, not by head-on battles; that was too destructive of man-power and too costly in terms of munitions. Instead, he studied how to outmanoeuvre his adversaries. He formulated bold campaigns involving long marches, and executed them methodically. In the end, he won every campaign. Such battles as he did fight were inconclusive, but that did not matter; they were also relatively inconsequential to the campaign.

The business man who lays out a sales campaign, a campaign of research, a campaign of product improvement, may find that in the day-to-day operation he may be disappointed. But if his campaign is sound, and he keeps pegging away at it methodically, he will, like General Sherman, outflank his competitors and win the victory.

The KEY to TRADE for 1934 is . . . **EXPORTS**



A year ago, when general opinion was still pessimistic and harping upon the continuing slump and bleak outlook, we were emphasizing month after month the encouraging features and the indication of a trade upturn.

Now when the general Press is feeding its readers with the evidence of improved trade activity and revived domestic business, it is time for us to stress the significance of a hitherto unnoted point:

Our internal production is increasing. Because of this our imports are increasing, as we must import more raw materials to produce the increased output. For we produce very few of our own raw materials in the British Isles.

But to balance these increased imports of raw material we must increase our exports. In other words, as our domestic consumption increases we have got to increase our exports in order to pay for our greater imports of raw materials. If we don't, then our trade will again become unbalanced, our imports will become proportionately too large, and our domestic activity will again fall away.

Consequently, it is essential for the prosperity of British business that our expansion in exports keep pace to a certain extent with our expansion in internal consumption. Carried to extreme, the overdoing of production for internal consumption would smother trade revival by compelling us to import more than our exports would pay for.

That is why we have been more encouraged by the increase in our exports during the past year than by any other one feature. For increased exports not only mean more employment in themselves, but every pound of increased exports enables us to increase our production for internal consumption by several pounds.

Why Exports Are Vital

It is in the export field that the big trade fight is going to take place.

Japan, with her low production costs and depreciated currency is pushing forward. America's under-valued dollar is enabling her to increase her exports. Germany is pressing hard to sell more goods abroad because she needs an export surplus to pay the interest on her external debts. And we in turn must increase our exports in order to buy and import more raw materials.

In November our exports of manufactured goods increased by more than three million over a year ago and by a small percentage over last month. That increase it is most vital for us to continue.

And it can be continued. But to do so requires the conscious and special effort of every British manufacturer who can by any stretch sell part of his production overseas. It will help his business directly in two ways: first by increasing his turnover; and second by enhancing the general prosperity and so giving him in turn a better home market as well. And it is a patriotic

duty as well, because only by increasing our exports, as we have said above, can we make to continue the present upturn in our trade.

Breaking down the statistics of our imports at once reveals how and where it is easiest for us as individual manufacturers to increase our overseas orders. Since the low record of two years ago our exports in most lines have increased to the Empire, Scandinavian countries, South America; have decreased to France, Belgium, Italy, Germany, China, and Japan.

The point is obvious: look for orders especially in the Dominions, Colonies, the Scandinavian countries, and those countries with which the Government arranges trade agreements. In these places the best chances for business lie.

The country's exports are simply the sum of the foreign orders secured by home manufacturers. The only way we can increase our exports is for individual manufacturers to get more orders abroad. For every manufacturer to seek all possible foreign business is therefore more than a chance for increased turnover and profits: it will, in the end, improve his home markets as well. In brief, to increase our home markets we must increase our foreign trade.

Exports in November 1933 (the last figure available) were £31 Millions over November, 1932—by this not enough. Business men must push this figure continuously, to an even higher level

Again this month all the trade indices show a continuance of the upward growth of business activity in the United Kingdom. Exports are up by £3,000,000 on a year ago; a larger figure than the £2,000,000 of increased imports. Provincial bank clearings are up by a larger percentage on last month than any month this year. In nearly every line increased activity is reported. Electricity consumption is up by 15.4% on a year ago. Gas consumption is up.

Post Office receipts are increasing steadily; the surplus over the entire year will be the highest on record.

Bright Prospects At Home

The basic productive industries show a welcome activity. A contract to deliver a large quantity of coal to a foreign railway company during 1934 has been received in South Wales. The home consumption of coal has also increased. The November output of

pig iron was 107,200 tons more than it was in November, 1932. Output of steel increased by 219,200 tons. Several firms are increasing their plant. An ironstone mine is shortly to be reopened after two and a half years of idleness. More rolling stock has been put into operation on the railways. Engineering of all types shows a definite improvement. Birmingham motor manufacturers are behind delivery. More cars have been exported in 1933 than in 1932. On the Clyde shipbuilding is more active than it has been for a very

considerable time, and marine engineers have an encouraging quantity of work in hand. While the Lancashire cotton trade is severely handicapped by Japanese competition, other sections of the textile trade are in a better position. The woollen industry has now established itself on a more remunerative basis; the West Riding woollen manufacturers are working at full pressure; there is some shortage of skilled labour—unemployment is the lowest for ten years; spinners are behind with their deliveries for which manufacturers are pressing.

Prices of raw materials are the same as in October—3.7% above a year ago. The cost of living shows no change compared with a year ago, which shows that our production costs are being held down.

Why Unemployment Will Fluctuate

Unemployment shows a decrease of 18,000 on the month and nearly 600,000 since November of last year. Unemployment has decreased almost everywhere and in every trade throughout the country, and certainly in every large town.

The figures for December will probably show a further increase because of Christmas seasonal employment. But in this connection it should be pointed out that January employment figures will probably show a drop for the first time in a year—expectedly and naturally so, for January sees the sagging reaction from the December seasonal activity. Every January for the last three years has shown a fall in employment compared with December and then a rise again in February.

The Treasury returns show a continuous improvement on last year. The total balance is £61,000,000 better than last year, and an official pronouncement is now made that the year will show a surplus—which should lead to a reduction in taxation next year. Cable traffic has shown an increase over the last four months, at a faster rate than the same months a year ago. Railway traffics which were down the first six months of this year as compared with last, show progressive increases in the last six months.

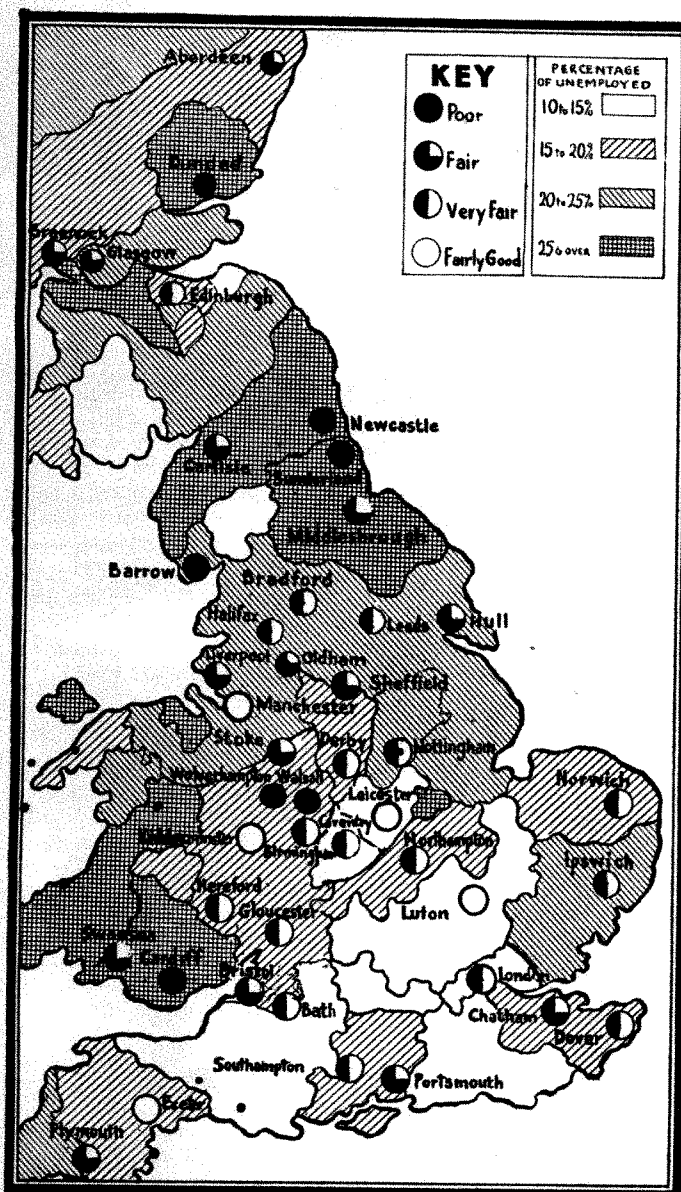
The Empire : Increased Activity

A parallel improvement is taking place throughout the Empire. Australia will have a Government surplus for the first time in many years; she is getting a higher price for her exports, pays less overseas interest, and consequently imports more goods. Imports of British goods into India for the last six months' period have increased on nearly every item, while our trade with Canada is increasing steadily.

U.S.A. Situation Not Improved

The American situation is "as we were". There exists the same problematical outlook, the same encouraging

HERE IS THE SITUATION THIS MONTH



London District: Trade in this area is brisk. Throughout greater London there is a marked drop in the unemployment figures. Though some proportion of this drop is due to seasonal work, much of it is due to more permanent employment. The general feeling is that trade is on the threshold of a much better year than 1933.

E. & S. E. Districts: On the whole there has been little change here. The condition of agriculture is much as it was two months ago. The autumn herring fishery on the east coast opened well, but the subsequent catches did not come up to expectations. Otherwise the season was satisfactory, and good prices were obtained.

Midlands: This region is one of the busiest in the country. The motor manufacturing industry is working at full pressure. The Wolverhampton machine tools trade and the Birmingham small-ware trade are showing a decided upturn. The only trade which is quiet is the hardware trade.

W. & S. W. Districts: Good contracts for foreign railway coal for delivery through 1934 have been received. The steel industry is working at 85% capacity; and unemployment has decreased both on the figures of a month ago and on those of a year ago.

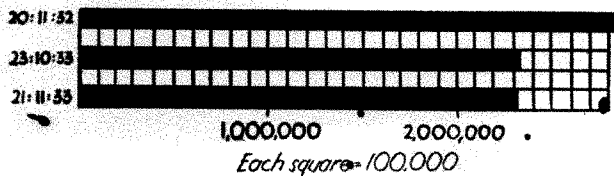
N. E. Districts: Trade is brisk in the West Riding. Many woollen manufacturers are working overtime; and there is some shortage of skilled labour. Increased activity both in the Coal and Iron and Steel trades is reported. Trade in Newcastle and the district round has taken a step forward.

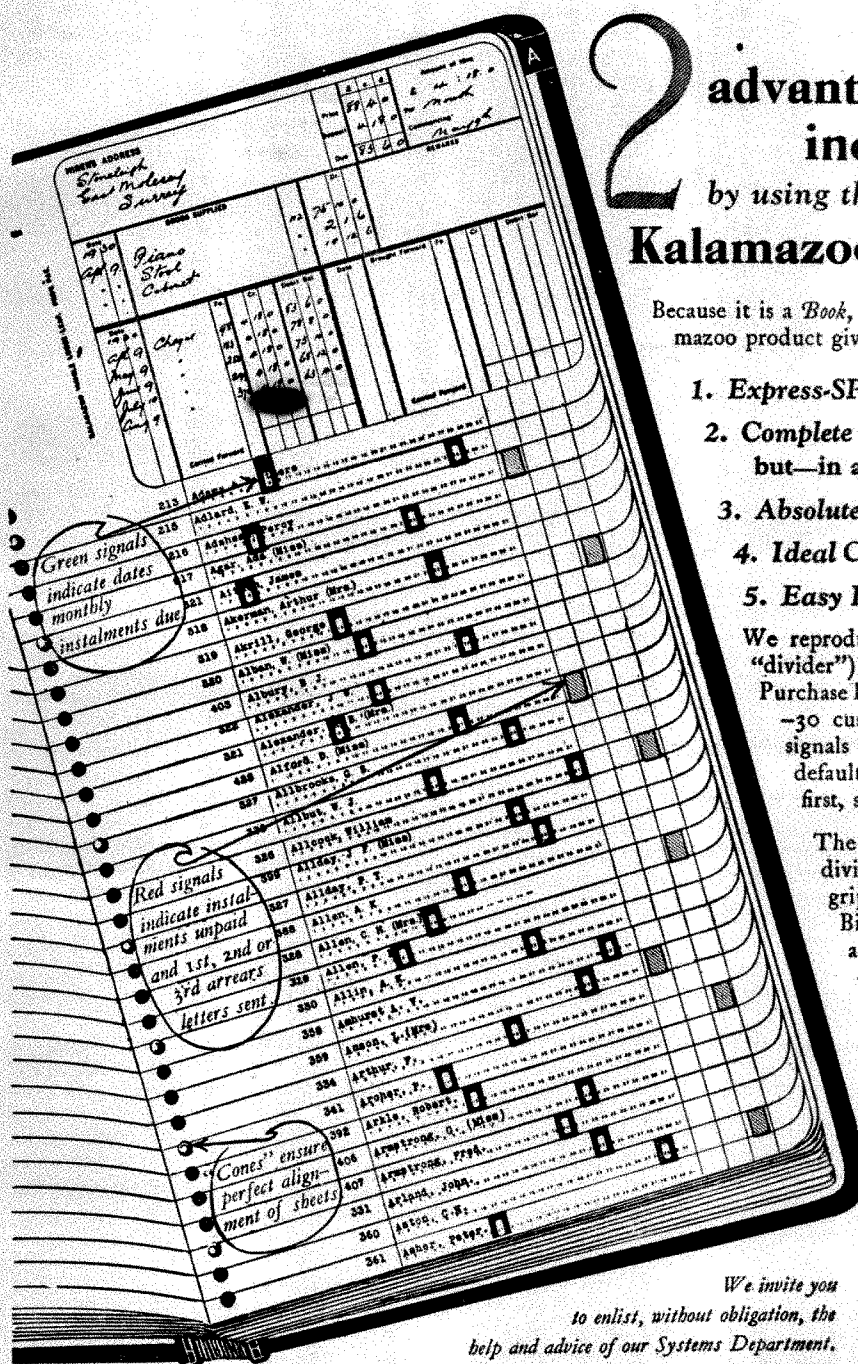
N. W. Districts: The position of the Cotton industry has improved somewhat, though the American situation has caused a good deal of uncertainty on the part of operators. Japanese competition is also a serious handicap to the improvement of the Lancashire trade.

Scotland: Clyde shipbuilding has improved on the Clyde, and there is a fair demand both in the west and in the east for coal. Pits are well employed. A moderate amount of business is coming to the Dundee jute trade, while in Fifeshire the demand for linen is fair, though there is little disposition to contracts forward.

UNEMPLOYMENT—DOWN

Number of Insured Persons Unemployed





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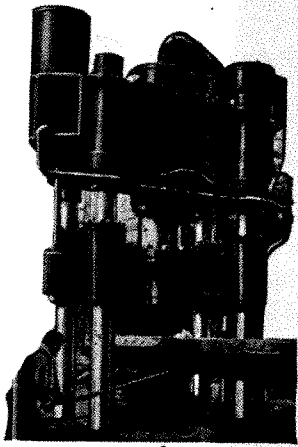
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MARKETING — ADVERTISING — SELLING



SALES DOUBLED Though The Market Was One of the 'Depressed'

By FRANK ROWLINSON

Sales Promotion Manager, the United Steel Companies, Ltd.,
and Associated Companies

Here was steel, a basic raw material; the market for it was depressed. A sales promotion plan was devised to increase business; this article relates the investigations on which the successful campaign was based

"Sales promotion" is a term which has not been much used in the heavy industries, where, indeed, there has been small effort, in general, to sell. The selling organizations of these industries have chiefly devoted themselves to securing such orders as were on offer, rather than to creating a demand where little demand exists. As I see it, sales promotion in the heavy industries comprises *planned* campaigns of selling, employing at one time the several forces of the selling organization in a combined and intelligently directed manner.

The emphasis is on the word "planned".

This is how we do it. Details differ according to the product (which may range from umbrella frames to heavy forgings weighing 50 or 60 tons), but the essentials remain the same.

How The Product is Thoroughly Investigated

The first thing we do is to conduct an investigation into the product we have to sell—let us say a special steel. The research departments, technical men, metallurgists, and various experts are interviewed and asked leading questions until we have gained from them all the data necessary to enable us to answer definitely a list of such questions as:

1. How is the steel made?
2. What special precautions are taken during its manufacture?
3. What are its properties; what does it actually do?
4. Will it reduce the customer's labour or other costs?

5. How does it improve his product?
6. How long does it last?
7. Will it enable him to dispense with machines, or produce more with the same machines?
8. Are there any special snags or precautions to be taken by the customer to avoid troublesome mistakes or possible failures?

We do not rest till we have all this information, and then we *write it down*.

Now We Can Turn To The Market

Knowing this about the product, we can turn to the market. We conduct a market research, except that we don't call it by any such high-sounding title. We now enlist the aid of the outside selling staff, and we answer these questions:

1. What firms in the British Isles are engaged in the industries using the product?

This isn't always easy to answer. We gather our information from all possible sources, especially these:—

- (a) Local representatives.
- (b) Advertisements in the technical Press—usually a very valuable source of live information.
- (c) Exhibition catalogues of which we make a collection for years past.
- (d) Directories—as a last resource.

These names are selectively tabbed on addressing machine plates, and form the mailing list.

2. What is the trade demand for the product?

This involves an investigation of specific uses both as to quality and quantity. Blue books, the census of production, local information, are all useful here. If necessary, a man is put specially on the job of securing the information, and makes a tour of the larger firms of the industry, interviewing works managers and other potential users.

3. Are we receiving our fair share of existing business (if any) and what are our competitors doing?

4. Can advantage be taken of any tendency towards a change in the nature of the demand, so that by filling it we can be "in on the ground floor" as specialists?

Again we do not rest content until we have all the possible information relating to these four questions, and again we *write it down*!

This Constitutes The Plan Of Attack

We have now information about the product as seen from inside our own works, as seen by the consumer, and about the market.

We then write a connected plan of campaign for an advance on all fronts:

1. Journal advertising.
2. Catalogues or booklets, mailing pieces, etc.
3. Sales letters.
4. Special calls or efforts by the sales force.

This connected plan of campaign includes all details, roughs and dates of appearance of advertisements, roughs of all publicity and direct mail matter, sales letters (with data to be sent out), special training of representatives at the works, etc.

The campaign is now printed and bound, and a copy sent to every single person concerned.

At "zero hour" we start our shooting—direct mail or circular letters—to the carefully chosen list of consumers arrived at during market investigation.

At about the same time the journal advertising begins to appear in the technical Press, together with editorial articles.

After a suitable interval the personal selling begins, calls being made either by the ordinary selling staff, or by specially-trained technical specialists, according to the intricacy of the subject.

The way having been prepared by the publicity matter, these salesmen find their approach made easier and the technical men at the customers' works, having had their curiosity roused, usually welcome the visits of these specialists.

Reports of each call are made daily to the sales promotion department, on special forms, and to the district offices; every useful call is followed up by special letter, and the address plate of the customer suitably marked with a selecting tag to enable a follow-up campaign to be made.

The sales promotion department, in due course, issue their report, with graphs of sales prior to, during and following the campaign—and turn their attention to the next!

Result: Years of Depression Are Defeated

And the results? Early days yet to say much about the method of selling, but during the last four years we have more than doubled our sales of alloy steels—and this on a continually depressed market. One special sale sold in this way more than quadrupled its sales during the progress of the campaign.

The group as a whole have increased their sales of steel in four years of depression, from one ton in eight of the whole of the steel made in the United Kingdom to practically one ton in six—no mean increase when expressed in thousands of tons.

[This article is reproduced by courtesy of *The Advertiser's Weekly*.]

GIVES THE RETAILER A GOOD IMPRESSION

Whenever a traveller of one firm calls on a likely prospect he informs his sales manager, who writes a personal letter to this man. The cost of postage, stationery and time, it is contended, is more than compensated by the volume of trade which can be traced directly to this source. The sales manager asserts that a retailer, especially a small one, is pleased when he finds that the large wholesaler is sufficiently interested in him to send a letter signed by the sales manager personally.

GIFT IMPROVED THIS FOLLOW-UP

A firm of opticians has a system of following up their customers. Customers are invited to visit one of the branches every three months and have their spectacles overhauled free of charge. When they do not accept this invitation, a series of letters is sent, and with each letter is enclosed an eyeglass wiper. This is believed to ensure that the letters be read, for follow-up letters with which a gift is enclosed are notably rare. Further, it removes any possibility of annoyance on the part of the addressee, for the innate cupidity of mankind is satisfied by a gift, however small, if it is unexpected.

Have YOU found complete answers to the SIX QUESTIONS for Management outlined on page 9?

Why We Have Decided To Give Our Representatives A New Car Every Year

By Lt.-Col. E. A. ROSE, C.B.E., B.Sc., M.I.Mech.E.,
Director, Glaxo Department, Joseph Nathan & Co., Ltd.

Several schemes for the replacement of representatives' cars have been tried by this firm, with varying success. The last one, whereby cars were exchanged for new ones every three years, proved unsatisfactory, for it was found that, while representatives had very little trouble with their cars during the first and second years, in the third the proportion of necessary renewals and overhauls was so high that the men were unable to cover their grounds efficiently.

Our transport manager was therefore faced with the problem of remedying this, and the other serious fault: In the second and third years of their lives the depreciation value of the cars was such that we were unable to get satisfactory selling prices or exchange values for them.

A scheme was evolved, not in itself a revolutionary one, but none the less one which will, we believe, solve both these difficulties. It is to be tested during 1934. A car is allotted to a representative, and he is permitted to consider it his personal property. In other words, his use of the car is not restricted to business hours.

We have arranged to be supplied with Hillman Minx cars, on a fleet basis. By purchasing a large number of cars we get them at a price below list, with the option of turning in the car at the end of one year and getting a new one in its place, at an agreed charge for depreciation. This is subject to the car having run fewer than 20,000 miles the year.

Thus, we are able to budget for depreciation charges and running expenses. The table shows how we estimate running costs and on what basis we work.

Firstly, the basis is that the average yearly mileage covered by a representative on the firm's business is 13,000 miles, and that the price of petrol is 1s. 5d. per gallon. Should the representative exceed the average mileage, he receives an extra *pro rata* allowance, and should the price of petrol rise he receives an extra *pro rata* allowance for this also. If the price of petrol falls,

or the representative elects to use a brand cheaper than 1s. 5d., he is in no way penalized. The cheaper petrols are seldom used, for we find that to give a representative a new car makes him "car-proud" and anxious to keep its efficiency as high as possible.

Secondly, the insurance covers all risks when the representative, his wife or other named member of his family drives the car. This item is included in the estimated cost, because, as just stated, the traveller is allowed to regard the car as his own property.

Thirdly, the amount allowed for garaging the car is not high, for most of our representatives have garages attached to their homes. Nor is the allowance for washing and cleaning large, for we think we are not unreasonable in assuming that a representative who is given a good car will be prepared to do a certain amount of cleaning himself, as he is allowed to use that car out of business hours.

There is no allowance for tyres. This is because the car is new when the

REPRESENTATIVES' CARS ANNUAL REPLACEMENT SCHEME

Estimated running costs based on the cars being replaced every twelve months.

	£	s.	d.
Petrol, 32 miles per gallon—406 gallons at 1/5	28	15	2
Tax	10	0	0
Insurance	12	0	0
Oil, 1 gallon every 1,300 miles—10 gallons at 6/6	3	5	0
Garage, per annum	10	0	0
Washing and cleaning	1	10	0
Greasing, decarbonizing, minor repairs and replacements	6	6	0
	71	10	2

representative receives it, and that 13,000 miles is a reasonable life for a set of tyres.

The traveller receives his car allowance in advance, and submits to the head office a monthly speedometer reading. No account is taken by the firm of private use unless the representative's car mileage exceeds 13,000 per annum.

The representative's own estimate of private usage is accepted without question.

This scheme is generous, and because of that we think it will attain its object. The efficiency of the cars will be maintained at the highest point possible; there will be fewer delays on the road; the territories will be covered thoroughly, and the firm will be comfortably sure that no business is slipping through its fingers.

PRODUCTION METHODS *and* EQUIPMENT

[illegible]

9 MILES OF BINS
yet an order can be
ISSUED in 2 MINUTES

By F. ASHBY

Stores Controller : The General Electric Co., Ltd.

In this system of store management the stock cards (example above) give at a glance the complete history of any item. Below: Note the arrangement of steel shelving which permits free air circulation all round

transport, for there is not a single unnecessary corner. The possibilities of harbouring dust are reduced to

stock card. The office is already in possession of a duplicate advice note which in due course is paired up with the original, so should a consignment go astray, quick action can be taken.

Over 14,000 lines, and, in very many cases, thousands of each item stacked in nine miles of modern steel bins, constitutes the Central Store of the General Electric Co., Ltd., at Witton, Birmingham, probably the largest of its kind in the British Empire. Yet, in this vast warehouse, any item can be found and withdrawn by the stock keepers within two minutes of receipt of the order. Such is the effect of the carefully thought out system used in the management of the store. It is, moreover, a system which prevents pilfering, except in the case of very wide collusion, and one which links up admirably with the other smaller stores which are scattered throughout the length and breadth of the country and overseas.

The purpose of this store is to hold large stocks of all lines for immediate dispatch against orders from the branch stores; it does not handle actual customers' orders.

*The Store is Designed for
Straight Line Flow*

The general layout of the store can be seen from the illustration: it is a very large, one-storey building, designed especially for the purpose, and the floor level is roughly four feet above the road to facilitate the unloading and loading of vehicles. The main corridors, long, straight and ten feet wide, provide for ease of supervision by the keymen of the organization, and also for ease of

a minimum, for none of the stacks of bins rest directly on the floor; each is raised a few inches so that cleaning is easy, and proper ventilating is secured by a free air passage throughout the building. This ensures the goods against deterioration and frees the building from that smell of stagnant air which so often pervades large stores, to the detriment of the health and therefore of the efficiency of the workers.

All material has a one-way flow; it comes in at one end of the building and goes out at the other.

All material entering the building (and it comes from the many works of the Company throughout the country) passes through the receiving department, where it is carefully checked.

The receiving clerk alone holds the advice note, so the checker has no knowledge of the quantities being delivered. The checker enters in a book details of the material received, and subsequently these particulars are compared by the receiving clerk with the advice note. This system immediately reveals any inaccuracy in the consignment or carelessness on the part of the checker.

The advice note is duly signed by the receiving clerk, who adds any necessary comments, and is then sent with the goods to the stock-keeper.

The stock-keeper again checks the material as it is put away into the bins, signs the advice note and passes it on to the general office for recording on the

How the Various Departments Interlock

The main offices are situated near the middle of the building, equally accessible from all parts of it. Here are the manager's office and the general office, in which latter are several long tables at which the clerks work.

Each table corresponds with a section of the stockroom, and at the end of each table is a steel cabinet containing stock cards for that section of the store.

The accounts department is situated in another part of the general office and the remainder is given over to the typists, post and filing clerks.

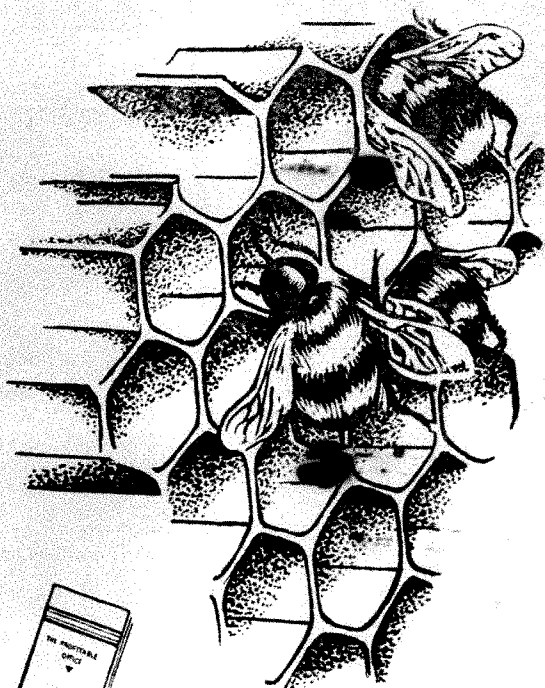
As will be seen later, the duties of all departments in the general office are so interwoven that it is necessary for ease and quickness of work that they should be in close proximity to one another.

The office is connected by direct line telephones with London and the majority of the works; there is also a complete system of inter-communication telephones connecting all sections of the store.

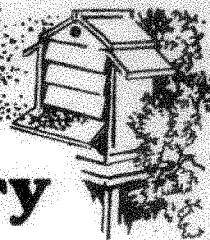
The stockroom is divided into sections according to the class of material handled. There is, for instance, the fittings section, the domestic appliances section, and so on.

Each section is in the charge of a senior stock-keeper who has the help of several assistants, and is controlled by the corresponding section in the general office.

(Continued on page 34)



The Sign of Industry



STANDARDIZATION is Building to Plan, but it is also the continuous adaptation of new materials and methods. In the factory where costs disclose inefficiency, standardization has made greater progress but few realize the possibilities of better office costs.

Just as factories are laid out to give maximum efficiency, any office can be improved by systematic planning and by adopting Shannon Standardized Equipment in Wood or Steel.

THE Shannon
LIMITED



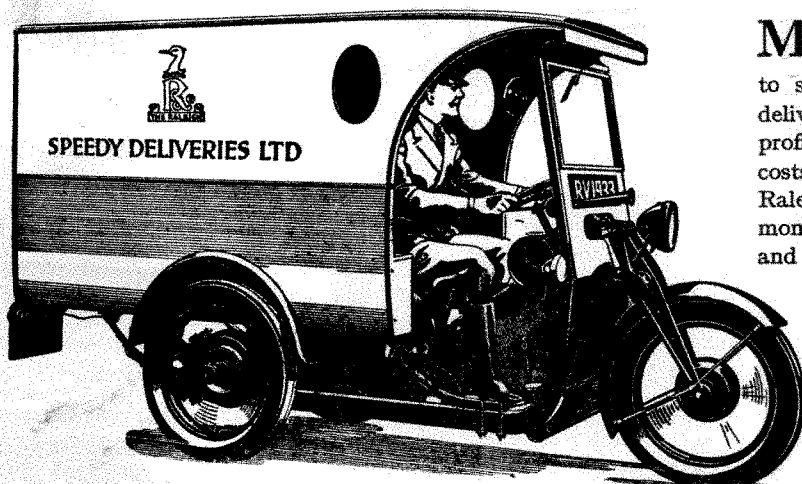
Booklet 302 on Office equipment sent to any Principal on request, or an Office Planning Expert will call upon you by appointment.

STANDARDIZED OFFICE EQUIPMENT

"IMPERIAL HOUSE," 15-17-19, KINGSWAY, LONDON, W.C.2

And at BIRMINGHAM, BRISTOL, GLASGOW, LIVERPOOL, MANCHESTER, NEWCASTLE-ON-TYNE & CAIRO (Egypt)

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MORE and more businesses are depending upon the efficiency and economy of the Raleigh Van to solve their transport problem. Transport and delivery are always a likely source of "leakage", and profits can be quickly eaten into by the maintenance costs of a poor delivery service. But with the Raleigh you can keep your overheads down and save money all round—in tax, insurance, initial outlay and maintenance.

Write to Dept. 44, The Raleigh Cycle Co. Ltd., Nottingham, for illustrated catalogue and full particulars.

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completely equipped
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Tax only £4. Insurance, third party, from £3.

Easiest possible deferred terms.

Product of the Raleigh Cycle Co. Agents throughout the country. Service Station: 1 Redhill St. (off Albany St.), London, N.W.1. Tel.: Museum 2568-9. Sole London and Home Counties Distributors: FRANK WARING, LTD., 100 Great Portland St., W.1. Tel.: Museum 0947.

RALEIGH

LIGHT TRANSPORT

P17690.

1934

WILL BE SUCCESS YEAR FOR
MANY MENJ.D.C. Mackay
Principal

What about you?

FREE—This Valuable
180 Page Guide to

Careers Some Chapters in the Guide: Advice from Business Leaders. How Office men and women can rise to appointments such as Accountants, Company Secretaries, Cost Accountants, Office Managers, Auditors, Cashiers, etc. How technical men can qualify as Commercial and Works Managers. How salesmen can climb to management positions. Courses for Youths and Young Ladies. Students' Success Reports certified by a Chartered Accountant. Opinions of eminent University Lecturers on The School's service. Tutorial Staff and Methods of training. The School's incomparable record of successes in the Accountancy, Secretarial, Banking, Insurance, Matriculation and Commercial Examinations. How the Principal's advice on the problem of your career can be obtained free.

★ EXAMINATION
SUCCESSSES

The School surpassed every other college in the Accountancy and Secretarial Examinations held in 1932 and 1933 by gaining *more First Places* than any other educational institution in Britain.

CIVIL SERVICE CAREERS

Inspector of Taxes, Customs and Excise, Executive Class, Clerical Class, Post Office, Writing Assistants, Typists, etc. Age limits 15 to 24.

SPECIAL NEW YEAR OFFER

A Special Offer will be made to students who join The School early in the New Year. This Offer will enable you to secure your training at considerably reduced cost. Write to-day, asking for a copy of "The Direct Way to Success" and for full particulars of the Special Offer.

Great as was the volume of Success gained by School of Accountancy Students in 1933, the prospects for those who take advantage of The School's training in 1934 are even greater. J.D.C. Mackay.

During 1934 many new enterprises will be established. Existing businesses which have already been reorganised will be expanding and developing. Old businesses which have yet to apply modern, efficient methods of working will be seeking to scrap old systems in favour of newer

ideas. Everywhere the demand will be greater than ever for School of Accountancy trained men who can step up to positions of control and responsibility, whose knowledge of present-day business conditions *commands* for them the higher paid positions.

School of Accountancy Postal Training is Britain's Great Highway to Successful Careers in Commerce, Industry, Accountancy, Secretaryship, Shipping, Public Services, Banking, Insurance and Civil Service

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THE SCHOOL OF ACCOUNTANCY

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17 Regent House, Glasgow, C.2
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The annual British Industries Fair will open as usual on the third Monday in February next. The B.I.F., after 20 years steady progress, is now acknowledged to be the premier National Trade Fair of the world. It is at the B.I.F. that British Manufacturers seize the opportunity to place on the market their new designs,

their new lines and their novelties for the new season. Trade buyers from all parts of the world congregate at the Fair, realising that nowhere else can they see so comprehensive, so compact, and so up-to-date a display of the Empire's goods. Make your arrangements well ahead and be sure of your accommodation.

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Particulars and invitation cards on request from The Department of Overseas Trade, 35 Old Queen Street, London, S.W.1, or from The Chamber of Commerce, 95 New St., Birmingham.

OUTPUT 60% IMPROVED

... by
these
LIGHTING
experiments

By E. H. ARMITAGE
Works Manager
Henry Lister & Sons Ltd.

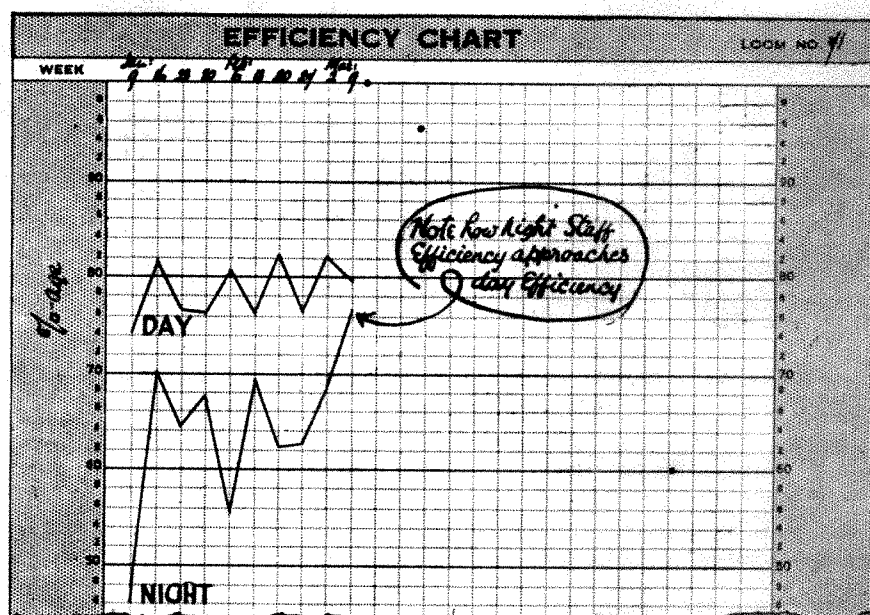


Fig. 1. This firm's problem was to raise the comparatively low efficiency of the night staff to the high standard of the day staff. They did it by carefully adjusting the lighting to suit the work. Here is one of the weekly graphs which shows how the night staff efficiency was raised as the lighting in the various units was changed

We are woollen manufacturers, of Pudsey, Yorks. Recently we were faced with the problem of how to make our night staff as efficient as the day workers. When the need for night work arose, we found that really first-class employees were difficult to obtain; less skilled labour had therefore to be used—and trained under the expert guidance of some of the day shift.

As time and experience improved the efficiency of the night workers, they began to draw attention to the difficulty of turning out perfect work on imperfectly lighted machines; and at the same time attain the volume of production equal to the day workers. The lighting problem had therefore to be tackled seriously.

Our firm possesses a modern, well-equipped mill and up-to-the-minute machinery. Poor lighting has been experienced but never tolerated. Continuous experiments have been made in the search for better illumination.

Our directors try in every way to keep in touch with the newest developments of machinery and business practice, and are not afraid of experiments. But in these experiments the firm follows the maxim: "Get an expert in; tell him what you want, and let him get on with the job."

This is what was done in regard to lighting:

Lights Fixed to Walls Solved This Problem

In the scribbling department an unusual procedure was adopted. Instead of having the local lights directly

above the machines, they were transferred to the walls and over the aisles; for with overhead lights the operator casts his own shadow on his work. The lamps were placed ten feet high, with dispersive reflectors to prevent glare. The reflectors, oval in shape, were placed at an angle of 45° with the wall.

This, however, did not meet the purpose: there was still some glare; so the reflectors were depressed to between 38° and 42°. This prevented glare of any sort and rendered all parts of the complicated machines comfortably visible.

The lights of the spinning department were placed about ten feet overhead, and were of a power to give 9 to 12 foot candles at the centre of the mules, with 4 to 6 at the ends.

In spite of the variation of about 8 foot candles from the ends of the mule to the mule-head, in practice we found this illumination ample for the workmen to see at a glance any broken threads. The most complicated portion of the machinery is in the centre of each mule, at the mule-head; hence the more powerful illumination over these parts.

Here The Difficulty is to Watch Moving Threads

The warping department presented many problems. Even now the best-lighted warping machines still leave much to be desired. One of the essential parts of the warping process is to watch a large number of semi-taut threads proceeding from one part of the machine to another. While it is easy to watch these threads in daylight it is difficult by artificial light. As one

looks at them one often sees a blank space, where, by a trick of the light, a thread becomes temporarily invisible. This is serious, for it is essential that all threads should be continuous. Various combinations of diffused and concentrated lighting have been tried, arranged with different backgrounds, without finding a really satisfactory lighting system. It is necessary to light the machine completely, without dazzling the operative or causing shadows on the moving threads. We are still experimenting with the lighting here, and we hope eventually to solve the difficulty. Perhaps a balance of overhead light and floodlighting from below will be satisfactory. We are trying it.

This Machine Calls for Lighting from Below

The looms present another lighting problem. It could be solved in the ideal manner, but unfortunately, owing to the construction of the looms, and their vibration when running, the method is too costly to be practicable.

The ideal lighting for showing imperfections in the piece as it is weaving would be a strip light, the width of the cloth and so placed that it is shining from below, through the last woven portion of the piece. This system gives no glare, and does show any defects across the whole width of the cloth. Specially shaded lamps have been placed to shine upwards through the cloth; but these were unsatisfactory because, if placed too near the cloth, only small portions of the piece were lighted, and if placed too far below, the illumination was either not strong

enough or there was too much glare. In addition to the cost of this strip lighting, and the defects of the ordinary lamps, the fittings were a nuisance to the mechanic when attending to any part of the loom near them.

The lighting we find best on the looms is a combination of diffused and concentrated lighting over the loom gate, and behind the loom, giving 9 to 12 foot candles over the front of each loom, and 6 to 9 on the warps at the back. This degree of lighting is good on looms weaving white warps. On striped or dark-coloured warps, 20 to 30 foot candles is required. Our best results have been with shaded lights on the loom frame, combined with more powerful overhead lighting. The lights on the loom frames have to be carefully placed and shaded to prevent glare, and at the same time counteract the shadows behind the sley and on the healds.

These Charts Show Results of Experiments

In the burling department, the only other one working through the night in which artificial lighting is of first importance, the problem is simple. Naked lights are used *behind* the piece which is being burlled. They are perfectly adequate, placed as they are, two or three feet above the heads of the tallest burlers.

The lighting of the dye-house is general. The building is higher, and much light was absorbed by a dark ceiling until it was painted white. The walls are whitewashed and are easy to keep clean until the next yearly whitewashing; so that it has not been found necessary to paint them to get the extra reflective power of a painted surface.

When experts claim that their system, whatever it may be, will increase the efficiency over that obtained by the method in use, it is advisable to take records to see if the alterations make good the expert's claim. Figures 1 and 2 are specimens of the records kept on a section of looms. As each lighting

experiment is tried we can judge by these records whether the change will be helpful or not.

The accuracy of the figures is carefully checked before they are handed in to the office. Each week graphs are plotted as in Figure 1, and these reveal the relative efficiency of the two staffs

as well as the rate of production at any given time. Although at present the efficiency of the day staff is higher than that of the night, the difference between their relative efficiency will be still further reduced as the experiments now in progress result in a more nearly perfect artificial lighting system.

Five Other Ways TO CUT COSTS

Best Height for Work Benches

After many tests in a wide variety of industries the elbow height of women workers in factories has been found to be 39.9 inches on the average, and the most comfortable height for a working bench for the average woman standing is therefore about 37 inches.

During these tests efficiency in filing metal bars was found to be at its maximum when the height of the working bench was about 60 per cent of the height of the worker.

Efficiency dropped noticeably when the height of the bench was less than 55 per cent or more than 66 per cent of the worker's height.

Coat Rack Saves "Minute-Killing"

A large firm of motor manufacturers found that much valuable time was wasted in the works by the habit of the men of keeping handkerchiefs, etc., in their overcoat-pockets when overcoats were kept on racks at the sides of the various departments of the works.

In order to remedy this, the racks were so arranged that they could be automatically raised well above the heads of the workers by the pressing of a lever in the time-keeper's office. This innovation was successful, for it meant that the men had to keep their personal possessions about them during working hours if they should want them, and it provided an additional safeguard against lateness. Moreover, a

considerable amount of valuable floor space, formerly occupied by the coat-racks, was released for productive purposes.

This Wash Basin Plan Also

This policy was followed out still further. In the works were rows of lavatory basins for the use of the workmen. Far too much time was wasted here also in un-



In the H.M.V. factory at Hayes a "lift" has been installed so that adjustments can be made to receivers without the necessity for stooping down. The girl on the right is altering the height of this "lift"

[Illustration by courtesy of "The Wireless & Gramophone Trader"]

LOOM NO. 71														
WEEK ENDED	No. of PICKS		HOURS		EFFICIENCY 10% P.P.M.		PIECES WOVEN		WAGES		WAGE COST PER LB.	TIME LOST		
	DAY	NIGHT	D.	N.	D.	N.	No.	Qual.	Day	Night		Mech.	Ward or Wait	Operative
Jan 9	2400	1811	51%	52%	76.8	76.1	2	107	296		DAY	6.30	16.2	17.50
											NIGHT	6.15	16.2	17.75
6	2450	2246	44	52%	81.8	76.1	3	109	144		DAY	6.15	16.2	16.20
											NIGHT	6.15	16.2	25.75
23	1532	1367	32	51%	76.7	64.5	2	108	269		DAY	6.15	16.2	16.45
											NIGHT	6.15	16.2	24.15
30	2464	2224	51%	52%	76.3	64.5	4	107	314		DAY	6.15	16.2	16.45
											NIGHT	6.15	16.2	24.15
Feb 6	2456	1633	46%	52%	80.7	55.6	3	107	314		DAY	1.21	7.9	30.20
											NIGHT	1.19	7.9	17.26
13	2430	2256	51	52%	76.3	64.2	4	107	509		DAY	6.15	16.2	24.15
											NIGHT	6.15	16.2	24.15
20	2633	2046	51	52%	61.2	62.4	4	107	530		DAY	5.31	16.2	24.15
											NIGHT	5.31	16.2	24.15
27	2325	2047	46%	51%	76.4	62.5	3	106	366		DAY	5.31	16.2	24.15
											NIGHT	5.31	16.2	24.15
Mar 2	2614	2241	51	52%	62.1	64.4	4	106	526		DAY	5.31	16.2	24.15
											NIGHT	5.31	16.2	24.15
9	1577	1687	31%	51%	76.6	76.7	2	107	267		DAY	6.15	16.2	24.15
											NIGHT	6.15	16.2	24.15

SHOWS RELATIVE EFFICIENCY OF LIGHTING

Fig. 2: As each lighting experiment is carried out the results are carefully recorded in this form as well as in the chart form shown in Fig. 1. We can then tell exactly the relative efficiency of the various methods we put into force

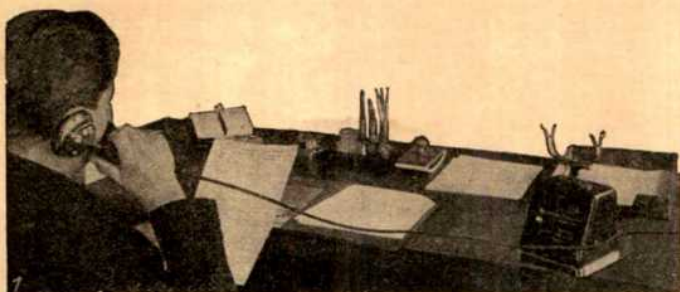
necessary washing during working hours. The water was therefore turned off automatically when the whistle went each morning, and turned on again when the whistle went at lunch-time.

"Savings of this sort," said the manager of this firm, "are only in seconds per day per man, but in the aggregate they total several full working days in a year. That, in a works of this size, is a very considerable item."

Easier and Safer Repairs

In the coach-building section of a large motor repair works steps with planks across were used by workmen from which to repair the tops of lorry bodies. A cradle slung from an overhead runway saved 20 per cent in time and enormously increased the factor of safety. It was easy to place the lorry for this kind of repair beneath the runway.

OFFICE PRACTICE AND EQUIPMENT



These
NEW APPLIANCES
Will

Make Business Easier in 1934

By C. H. COSTELLO, A.C.I.S., A.C.W.A.

The Office Appliance Exhibition of last year is not very far back in our minds. Personally, I recall it as an outstanding event. During my two days' visit I learnt from it more about the newest facilities for controlling and creating business than from any other experience during the year.

In my own opinion, and speaking from the point of view of the fairly large business, four adjuncts struck me as having undergone revolutionary development. These were: inter-communication systems, automatic accounting and statistical machinery, and aids to correspondence and mail handling.

Almost every item, however, showed evidence of an intense desire to make it so practical that the average business man, casting the most coldly critical eye upon it, should be able to visualize that item as a real working unit in his own organization.

It is a fact that for every highly-organized, well-equipped business there are a hundred where the most modern device used is still the typewriter, and an indifferent one at that. From the point of view of these undeveloped businesses, therefore, there are not only those items just referred to, but literally a hundred and one new things capable of simplifying business routine and making bigger profits.

How, then, will these new developments help to make businesses in 1934 easier to control, more dynamic and more profitable?

What The Loud-Speaker Telephone Can Do

Think what aggregate hours of highly-paid executive time, time costing up to a shilling a minute, are saved by the modern systems of house inter-communication. There is the loud-speaking telephone—especially designed for the executive—which enables him to speak on the instant with any member of his firm, no matter where in the room at

the other end the individual called happens to be. Neither of the parties has to handle an instrument; both can talk as though personally face to face. More important still, by this system three, four or half a dozen executives may "conference" together without any of them having to leave his office.

The system of having a "master" station for each principal, and sub-stations for the staff, retains the feature of personal service for the former and provides a highly-efficient system for the staff. As calls by principals can always be arranged by a signalling system to take precedence over inter-departmental calls, the latter enhances the full value of the system.

The master station gives also the advantages of secret consultations, freedom from interruptions or cutting off, no dialling of numbers, and the ability to dictate to a typist without having her in the room.

This year a new model sub-station was shown, featuring the moulded hand set similar to that which the Post Office has recently popularized. It is particularly useful where books or papers have to be referred to during conversation or where it is inconvenient to place the instrument near the user.

The general development in inter-communication is, in my view, momentous. Its possibilities for speeding up work all round, for encouraging co-

operation, and by making verification easy, and for the avoidance of errors, give it profound importance as a factor of efficiency in the 1934 business world.

Even The Small Business Can Use Mechanized Accounting

Two divergent methods have been followed in mechanical accounting: First, the development of the punched card system where the cards are varied according to the job, and second, the evolution of machines designed specifically for certain purposes.

The punched card system is well known. It need not be fully described here, even if space permitted. The battery of machines introduced a year or two ago especially to meet the needs of the smaller firm has made a successful début and has proved its value in relatively quite small firms. It employs a reduced capacity card of 27 columns instead of the full 45-column card used in the larger system. This reduces the cost both of machines and cards, whilst still giving service fully adequate to less exacting needs for statistics.

An interesting new feature is a checking punch which is in the highest degree accurate in the recorded information. Thus, the information is recorded at the first punching by semi-circular holes instead of the full round hole. The checker then completes the card independently

(Continued on page 30)

Machines now are PRACTICAL.

They are time-savers and profit-makers for the small firm as well as for the large. Read this article and see what they can do for you



THESE SHORT-CUT IDEAS

By H. GRAHAM to whom the managing director in this interview said: "Success lies only 5 per cent in the idea or gadget, and 95 per cent IN ITS PROPER APPLICATION"



Eighty odd miles north-west of London, in a quiet little town not in any way renowned as an industrial centre, is a hundred-years-old concern making household appliances for the hardware trade.

The buildings of this organization are the original structures erected a century ago; they are not prepossessing in appearance, but they house an astonishing efficiency. It is one of those few concerns the office routine of which is supervised by the managing director himself.

This managing director, though he is a "big man"—big in the sense that he himself formulates and carries through the entire policy of the company—is, nevertheless, office-minded. He is something of a genius in thinking out and applying those time- and work-saving little short-cuts which act as lubricating oil and which simplify and speed up the routine as a whole.

Here are seven of the plans, introduced by the managing director and continuously supervised by him:—

Red Light Says "Keep Out!"

Being something of an amateur electrician, the managing director devised the following idea for his own private office: He had made for his desk telephone a small wooden base, about the size of a 50 cigar-box. This box contains electrical contacts wired from the main to the red electric bulb outside his office door. Normally the phone stands on this box, and the

weight of it prevents a spring circuit from closing. When the managing director wants to telephone, however, he lifts the instrument from its stand. This action allows the spring contact to close and automatically to illuminate the red bulb outside his door. Thus, whenever he is telephoning, the red light warns all callers to "keep out". Replacing the phone, and the consequent switching off of the light is the "all clear" signal.

The signal to "keep out" does not, of course, only apply when the managing director is phoning. When, for any reason whatsoever, he wishes to be alone he has only to lift the telephone from its stand and place it on his desk; the red light then remains "on" until the instrument is replaced.

S.O.S. For Wand-ering Executives

Many firms have a code of coloured light signals with which to "page" executives who might be visiting widely-separated departments of a large organization. This firm also has such a system, but with an interesting addition.

There are eight executives who have light signals. In the ordinary way the combined buzzer and light, when it calls any particular individual by the code signal, means that that individual must go to the nearest house telephone to answer a call.

To this excellent plan, however, the

managing director has added his own improvement. At every signal light point throughout the building he has added a bulb, fixed upside down and of a peculiar violet colour. Thus, whenever an executive's colour signal is broadcast in combination with the reversed violet light, it means that the executive is wanted, personally, and at once, by the managing director in his room.

While the code lights which "page" executives can be operated from six stations throughout the offices, the violet light can be operated only from the managing director's room.

This simple plan is wonderfully effective in practice; it saves much time in telephoning and relaying messages or information.

Statistical Men Appreciate This

On the top floor of this organization are located the statistical and record offices. The managing director has frequently to consult these records, which appertain to every phase of the business, so he has devised a way of making communication as easy and speedy as possible.

On the desk of the executive in charge of this department is installed a loud-speaker telephone. This gives communication direct between managing director and records keeper. These two individuals can talk together without either being tied to a phone instrument. Their hands are free to turn over papers, while the record-keeper can even move about the room among his files and get what papers and records are needed.

The managing director, three floors below, is thus not kept waiting. Instantly he can talk to his statistical executive as though this individual and his whole department were located right in the chief's room. Endless hours and irritability are saved by this arrangement.

Keeps Customers Happy

Nothing is so annoying to a customer, when he rings up a manufacturer, as to have to repeat his requirements over and over again to different individuals before he can get on to the person who is dealing with his affairs.

This managing director has devised a way to overcome this snag, and, furthermore, he is insistent that it is strictly carried out at all times.

When a customer rings up, the operator on the switchboard takes the caller's name and asks him to hold on. She then calls the office until she has found the individual who knows the caller's account.

This individual then takes up the call and exchanges a few general and

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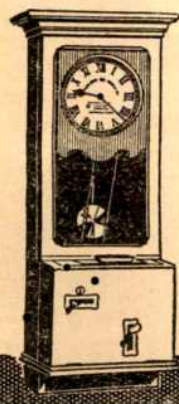
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by CHARLES F. HAANEL

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DOUBLE this Office Efficiency

friendly remarks with the customer. But he has *already instructed a filing clerk to bring at once the complete files of the customer's account and correspondence.*

By the time the personal greetings and general remarks have been exchanged, the files are on the executor's desk and he is ready right away to discuss any point the customer may raise. This invariable attitude of the firm to be ready at all times to discuss *any* point by phone is a definite builder of goodwill.

Makes Letters Mistake-Proof

If autopsies were carried out on more closed accounts, it would be amazing to what extent a hasty or unconsidered letter written by some departmental executive proved responsible for the lost business. This managing director prevents these unconsidered letters going out from his firm. His plan is, like the others just mentioned, very simple.

It is a standing order in the firm that the carbon copies of all letters shall be initialled by the writers and sent to the managing director's room at the end of every day.

Now it is obviously impossible for the managing director personally to read copies of every letter dispatched; but he can read a considerable number of them. And this he actually does do. He reads a few before he leaves his office in the evening; he takes some to read in the train on the way home, and he invariably reads a batch at home during week-ends.

This plan has two important effects. It gives the managing director a rapid survey of the firm's working detail from day to day, and it is a *powerful check on all those executives and individuals who write letters on the firm's behalf.*

Obviously, it is not known by the staff which letters will be read by the managing director, so naturally every out-going letter is the result of proper thinking and consideration and not the outcome of inadequate, hasty judgment.

This check, of course, is not levied as an autocratic restriction, but rather in the nature of a safety measure for the firm as a whole. Executives understand that there is nothing personal in it, and that it imposes no limitation on the individual's freedom to act on his department's behalf as he thinks fit. The consciousness of it as existing, however, does induce that little extra care which may, on occasion, obviate an unfortunate misunderstanding or loss.

Quite apart from that, this managing director said to me: "If the heads of businesses would take the trouble occasionally to look through departmental correspondence, I am sure they would learn a lot about their concerns. I am constantly finding matters of real interest. To me, a batch of these carbon copies is more interesting and entertaining than many a modern book."

Letters To The Wrong Office

Firms with head office and factory in the provinces and only a branch office or showroom in London often receive important letters addressed to the London branch. Generally these are forwarded to headquarters by the branch, by post. In this way, of course, fully 24 hours are lost before the letters get attention at headquarters, and very urgent matters suffer to this extent.

This firm has an effective way of obviating such loss. All letters for the firm received at its London office-showroom are locked into a special leather dispatch case. This case is put on the 11.30 a.m. express passenger train out of the London terminus, information of its dispatch is phoned to head office eighty miles away, and the office manager sees that the train is met.

These letters arrive at about 1 p.m. They are opened, time-stamped and distributed at once to the departments and are dealt with on the same day. Thus, so far as customers are concerned, no time whatever is lost. There is never any need to write to a customer: "Dear Sir, We regret the delay in attending to your order, but your letter, addressed to our London branch, was

Here are seven personal ideas from the managing director of a well-known manufacturing concern. None of the ideas is peculiar to this business alone; they are simple, effective and can be applied to ANY office

forwarded and only reached us on the 14th . . ." and so on; the old alibi that does not help business.

Catches Ideas At Birth

This managing director considers that one of the most important pieces of the firm's equipment is the dictating machine installed in his own home. "I find it has a thousand uses," he says. "I do most of my thinking at home, after dinner, when my children have gone to bed. The machine stands in a niche by the fireside. Directly I have an idea, no matter what it is, I record it on the machine. Sometimes I feel I can dictate, right off, whole plans, policies and suggestions. At other times the barest flashes of unrelated ideas come to me. But they all go on to the wax cylinder immediately, and my brain is relieved of them. I take the cylinders to the office with me in the morning, and within an hour all my overnight dictation comes back to me typed out.

"I have no hesitation in saying that not only does this dictating machine save me hours of valuable time, but it has also enabled me quickly to solve some of my most difficult problems by enabling me to catch and record ideas as they arise during my most prolific 'thinking-time'."

Workmen Ready Trained When We Want Them

"We sell an electrical appliance to private households, and one of the important items in our organization is the servicing department which attends to all repairs and complaints. We take great care that our service men are the most capable that we can make them. This is how we arranged to have 25 extra service men fully trained when we needed them:

"We had plans for extending our service depot as a result of increased business. This meant that we should need some 25 more operators on the service staff.

"Now one method of securing this extra staff would have been to wait until the

new building was complete and then to engage as many new people as required. But we went about it differently.

"While the building was yet uncompleted we took a short term lease of a suite of large but old rooms, where we put up a sort of training workshop. Twenty-five people were selected and asked if they would work as trainees for four weeks at a nominal figure if we guaranteed them a full-pay job at the end of that time. They agreed.

"The result was that when our new depot was completed we had the additional staff of 25 fully trained and ready to walk right in and start work. The increased output began immediately from the day we had laid down in our budgeted plans."

These New Appliances . . . (Continued from page 27)

by a second punching, the second semi-circular hole completing the circle. This gives a visual check on accurate punching, because, unless both operator and checker make the same mistake, a mistake by either produces two incomplete holes instead of one complete one.

At the other end of the scale we have the 72-column card featured by the firm whose machines are electrically operated throughout. This company has evolved a new type of punch which carries out multiplication as well as straightforward punching. Hitherto, cards have been punched always from complete sources of information. Now, however, work such as pricing and extending can be prepared simultaneously with the punching of the major details. Moreover, totalling of the items worked out and recorded also proceeds automatically. For job costing, depreciation of stocks and so on, involving a large volume of work, this machine is invaluable as a time and money saver.

How Automatic Book-keeping Saves Time

Among the specialized machines, perhaps none was more outstanding than the accounting machine, designed originally for banks, but successfully applied also to hire-purchase accounts, stock records, etc., which stores within itself the records of 1,000 accounts. In use, the "old balance" in any particular account is picked up merely by setting the control to the correct code number. Debits and credits are then posted, mechanically, of course, in much the

same way as in a cash register, and the "new balance" arrived at.

Double entry is used to check the accuracy of posting and, most amazing of all, the machine can be set to run through the whole thousand accounts to take a trial balance. During this process no human intervention is required, and it takes so little time that it can be performed readily as a normal routine operation at the end of each day's work.

Admittedly, this machine has a narrower scope than, for instance, the punched card system, yet given the right application it gives speed and accuracy with as close a system of control as the most exacting accountant could require.

Progress is no less clearly shown in new types developed from the original key-operated adding machine. Here the basic principle has been to provide units which can be assembled and interconnected in a number of ways to fit the needs of the particular job. One firm, for instance, featured, as a selection only be it noted, no less than twenty different accounting machines. In ledger posting, not only can the statement be printed at the same time, but any degree of dissection required can be arranged for. If it is a sales ledger, for example, the machine can accumulate separately debits of goods analysed by departments, discounts, returns, packing and postages, cash received, etc., and throw up at the end of the operations separate debit and credit totals so that a full trial balance can be made. The handling of such highly-analytical processes as hotel

accountancy, building society records, municipal accounts, laundry records, bank accounts, etc., becomes so easy that hand methods are not only obsolescent, they are an expensive luxury by comparison.

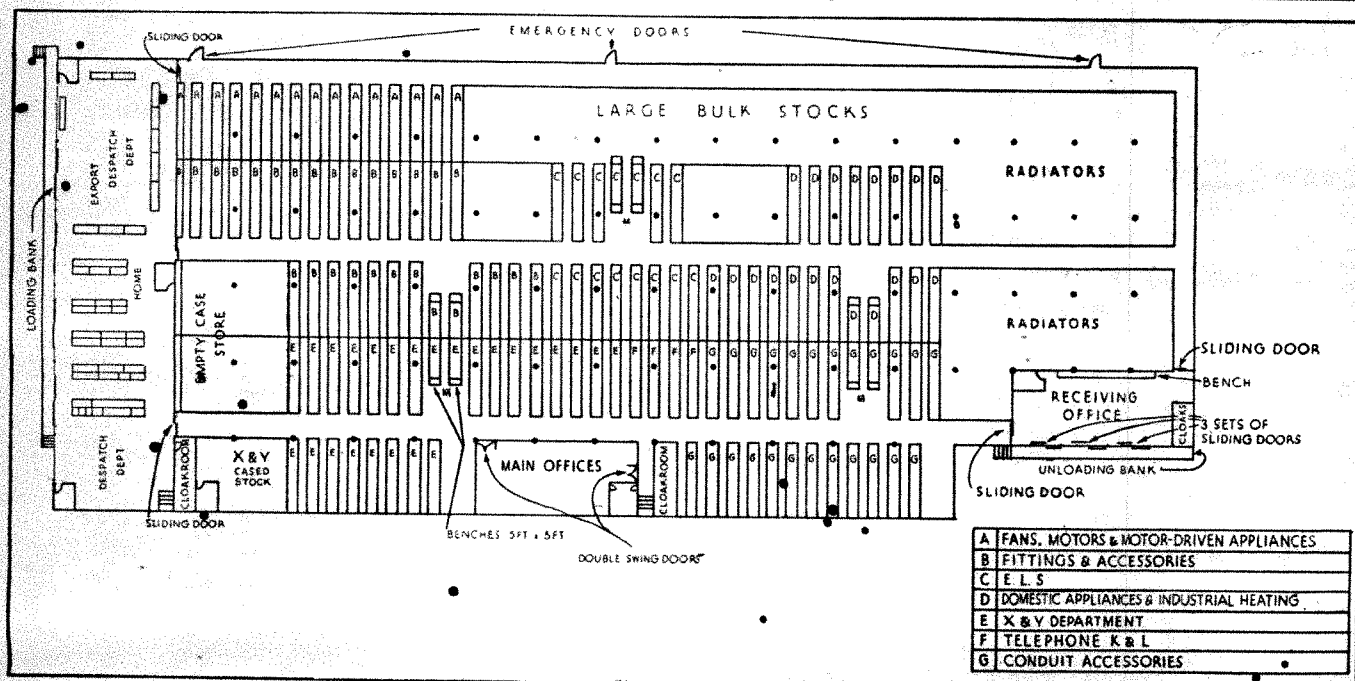
New Machine for Getting Out Those Statements

As the interesting result of an amalgamation between two typewriter and billing machine firms, there has appeared a twelve-key machine for rapid posting of customers' statements and ledger accounts. Equipped with from two to five recording registers and varying types of carriage, this machine will handle any accounting routine where written descriptions are not essential. Simplicity is the outstanding feature here, seventeen different operating functions being under automatic control, and all figures are fully visible at all times. With this machine operators are easy to train; moreover, installation does not involve heavy capital outlay.

By way of contrast, I must record the great interest aroused by a non-mechanical recording and control device which appeared on exhibition for the first time last year. It consists mainly of coloured discs of varying size and shape hung on brackets in groupings and capable of three-dimensional movement.

The discs record information by their colour, shape, and by the numbers printed on them, as well as by their position. The application gives a complete visual record of such items as stocks, sales personnel, or the location of employees in outside contract work.

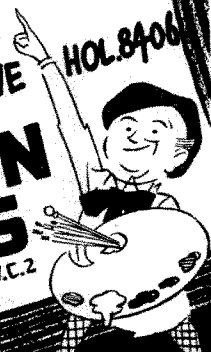
(Continued on page 32)



THE STORE WITH NINE MILES OF BINS

Here is the layout of the great store depot of the General Electric Company Ltd., at Witton, Birmingham, probably the largest of its kind in the British Empire. The article on page 20 describes the smooth and fast working which this carefully thought arrangement of departments makes possible

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Business

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THESE NEW APPLIANCES

(Continued from page 30)

It is very flexible and has a wide application, whilst so simple that no skilled employee is needed to operate it. It shows the recorded facts in a striking way—a coloured picture, in effect—and it eliminates cumbersome written records. Yes, this system has a wide and useful field.

Machines Which Make Mail Handling Easy

The amazing time-saving possibilities of dictating machines have always intrigued me. To save sixty minutes a day in handling correspondence is no inconsiderable achievement. The machine is new in that the latest developments all tend to perfect operation by making it as automatic as possible. An indicator shows that the machine is properly adjusted for recording; specially sensitive recording ensures accuracy, no matter what the accent or inflexion; cylinders are practically unbreakable; cylinder shaving is semi-automatic; moving parts are fully shielded from dirt.

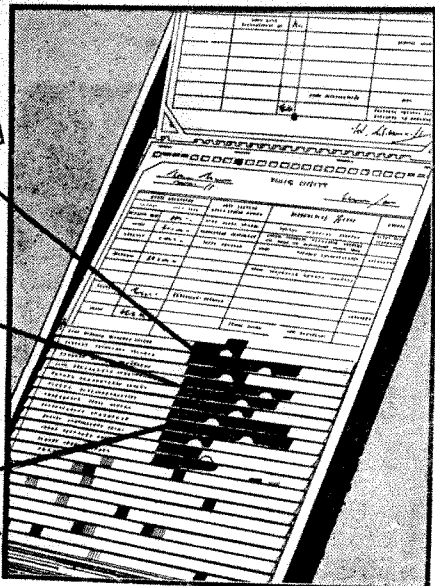
I find in use that this machine saves all delay and annoyance due to typists being at lunch, unable to read their shorthand, or being used by somebody else. Every idea, whether for memorandum, cable or reply to a letter just read, goes on record at once whilst the thought is on the tip of the tongue. I get through more work and yet on the average finish earlier.

Printed matter, whether in the shape of sales promotion literature, bulletins to field staff, brochures to customers, form letters, circulars or office forms, is necessary in every office. And its cost features in every profit and loss account. To be able, therefore, to cut such costs by 50% or more means to the alert business man more profits in 1934—also wider scope and increased sales.

The newest arrival in the field of office machines for high quality printed matter uses the offset lithographic process. This process has hitherto presented many technical obstacles to good work by the lay operator. These have now been removed and characteristic features well tried in rotary letterpress printing embodied. As a result, suction feed for paper ensures perfect delivery and registration; multiple inking rollers ensure even inking; and a large stack-feed gives a high production speed.

The machine is simple to operate and is definitely an office machine. What most impressed me was the accurate registration, which, of course, is essential to good work with two or more colours. As an exhibition job a page consisting of typewritten material, letterpress, line and half-tone illustrations, a signature and a tabular form containing very fine dotted lines was fed

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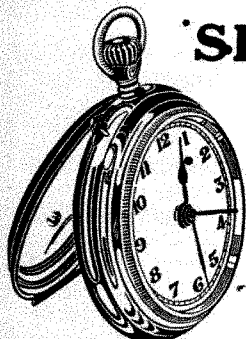
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through the machine twice in succession. The result showed no sign at all of overprinting or double impression.

A new-comer in the field of rotary stencil machines featured exceptional quietness in running, whilst all the other machines showed detailed improvement in simplified control, improved feeding and registration, and better inking arrangements. It is, in fact, no overstatement to say that the business which neglects to investigate the possibilities of to-day's perfected printing machines is deliberately refusing aid to profit and prosperity.

Automatic Envelope Feed To Typewriters

One typewriter firm featured a new typewriter attachment for the automatic feeding of envelopes. Here is one of those minor items of major value for the smaller firm having occasional lists to circulate in quick time. For this reason it is well worth noting.

The postal department of any firm is the bottle-neck through which all indirect dealings with the public must pass. Any machine capable of widening the neck and speeding up the flow has real value in these competitive days.

I saw great possibilities in a new multi-value franking machine which will print any denomination of postage in one franked impression, giving flexibility and a measure of speed unequalled before.

For free advertising alone the franking system covers its cost, for with each impression an advertising slogan can be printed. Or a return address may be shown, thus saving £2 a thousand envelopes printing cost which would otherwise be incurred. Moreover, a saving of literally hundreds of pounds can be made by using the franked 1d. instead of the adhesive 1d. stamp for circulars, because the fact of being franked in one colour whatever the denomination induces attention to the contents where otherwise the envelope would be destroyed unopened. Results, it is proved, are identical.

Having indicated just a few of the major "new things", I would sum up the others by saying that very few machines have got through the last two years without undergoing important improvements. The office machine becomes ever more efficient, yet at the same time ever more simple to operate.



Amazing Offer of DESKS &c.

choose from these Showrooms!

at bargain prices

12 g'nea Desks at £5.17.6

Typists' Tables at 39/6

Here is an amazing collection of superb office furniture, that we are clearing at bargain prices!

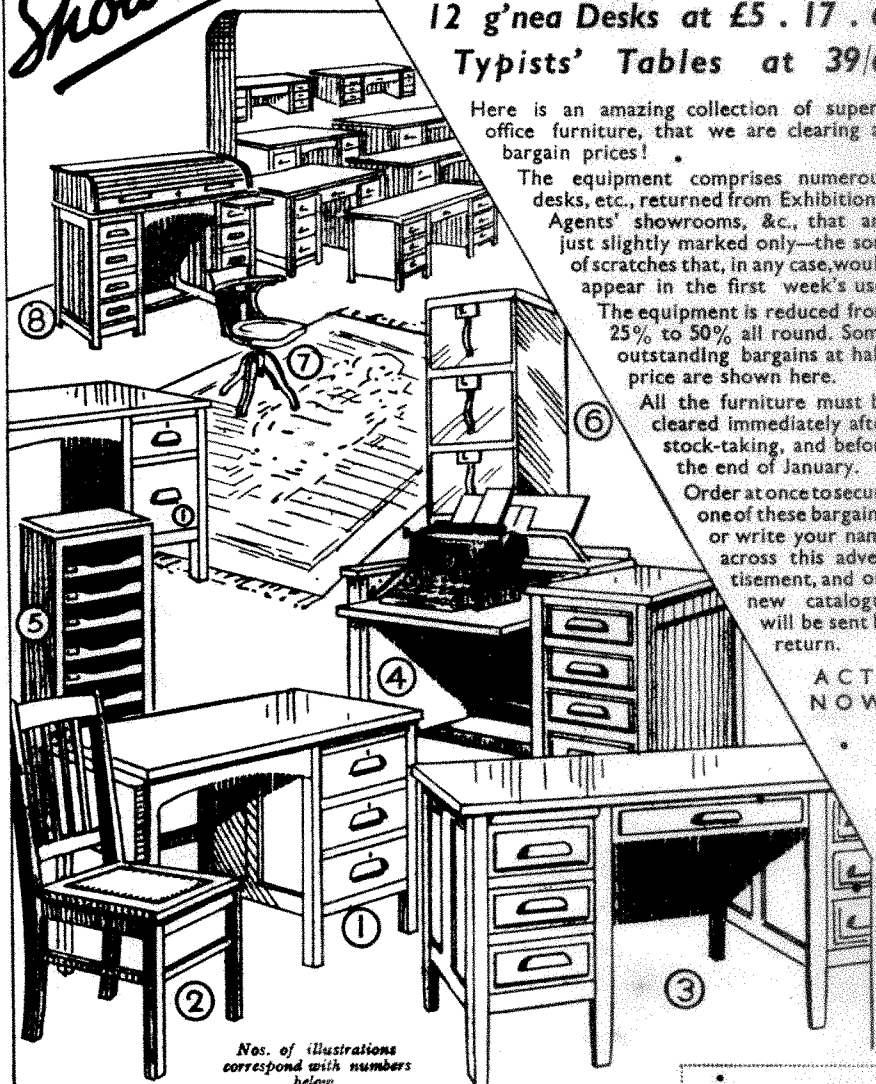
The equipment comprises numerous desks, etc., returned from Exhibitions, Agents' showrooms, &c., that are just slightly marked only—the sort of scratches that, in any case, would appear in the first week's use.

The equipment is reduced from 25% to 50% all round. Some outstanding bargains at half-price are shown here.

All the furniture must be cleared immediately after stock-taking, and before the end of January.

Order at once to secure one of these bargains, or write your name across this advertisement, and our new catalogue will be sent by return.

ACT NOW.



Nos. of illustrations correspond with numbers below.

HERE ARE THE OUTSTANDING BARGAINS:—

- No. 1 Bargain.** An extra heavy type-desk for only 39/6 is value unheard of! Size 47x20 (with hinged extension). Light or Dark Real Oak, 2 or 3 drawers. **No. 2 Bargain.** Solid Oak Chairs with under-frame. Seat in Green Leatherette, Dark or Light Polish; clearing at 13/9. Worth double.
- No. 3 Bargain** is the most remarkable value ever offered. A double pedestal Oak Desk for £5.17.6. Size 54x31. Medium Oak. 7 drawers and auto locks. Laminated top.
- No. 4 Bargain.** 15 only. Drop-well Desks. Oak and Mahogany. Clearing at £5.5. Worth £10. Guaranteed 2 years.
- No. 5 Bargain.** 80 stock-soiled Oak roller-front 9-tray cabinets for music, files, records, etc.; trays 16x13x31. Clearing at 70/- each.
- No. 6 Bargain.** 45 only. Steel Cabinets, complete with auto locks. Slightly stock-soiled. Clearing at £4.15. Worth £10. (E'cap 15/- extra.)
- No. 7 Bargain.** 40 only. Revolving Arm Desk-chairs. clearing at 45/-.
- No. 8 Bargain.** Roll-top Desk. Real Oak. 42x28. Clearing at £8.19.6. Carr. free.

CARRIAGE FREE, IN U.K.

3 YEARS' GUARANTEE

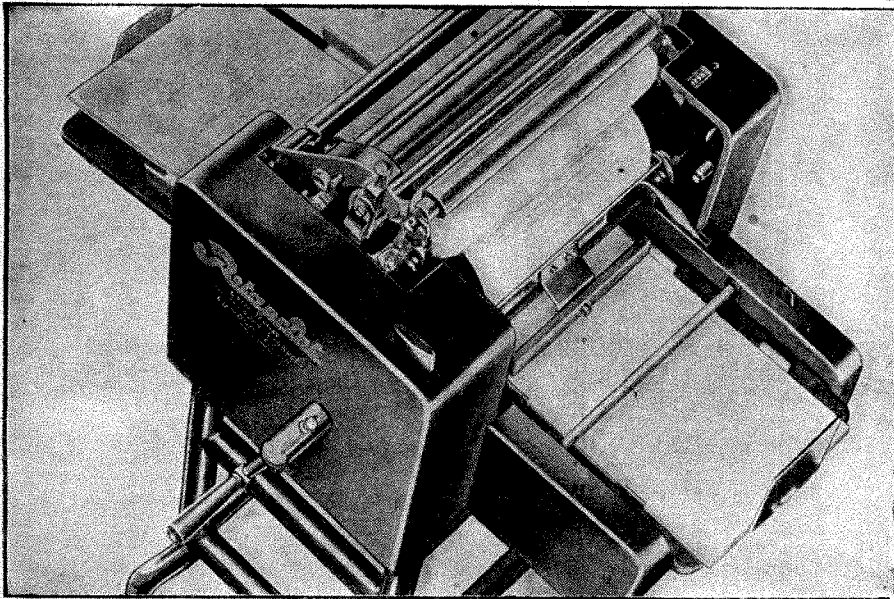
7 Days' Free Trial is offered to any approved customer in U.K.

Ring City 3313 (3 lines).

OSDA LTD., "Desk Headquarters," 55/57, OLD BAILEY, LONDON, E.C.4

Also: 16, St. Mary's Parsonage, MANCHESTER. (Blachfriars 6345).
622, Royal Liver Building, LIVERPOOL. (Bank 4112)

AGAIN

Rotaprint!**ROTAPRINTING IMPROVES QUALITY... CUTS COSTS...**

Do you appreciate how easily first class print can be produced with the right equipment, or realise that it can be produced in your own office, by your own staff—at a saving of 50% or more? That Rotaprinting is as simple as your routine office work!

ROTAPRINT is the only Office Printing Machine of its kind on the market. It dispenses with stencils, typesetting and electros required with other machines. For this reason it is inexpensive and easy for office use.

Allied with your selling force it is a great business builder. It enables you to supplement the endeavours of your sales staff with well produced opening and follow-up letters: It tells your story in pictures produced in first class style. It prints all your Letterheads, Invoices and Statement Forms, internal forms and print of all kinds at very great reductions in cost. It accomplishes with ease all that other machines can do and much which is entirely outside their scope.

It makes you money!

It is, in fact a proposition well worth investigating. Why not write or phone for more particulars to-day, while it is in your mind.

Kaye's ROTAPRINT Agency, Ltd.

CECIL HOUSE, 57a HOLBORN VIADUCT, LONDON, E.C.1.
CENTRAL 5655 (4 lines)

Also at: BIRMINGHAM, BRISTOL, GLASGOW, LEEDS, MANCHESTER
NEWCASTLE-ON-TYNE and SHEFFIELD

9 MILES OF BINS

Continued from page 20

Stock in the main is accommodated in long, steel, double-sided racks 12 ft. high, divided into bins measuring $3\frac{1}{2}$ ft. wide by $2\frac{1}{2}$ ft. deep by 2 ft. high; certain boxed lines, however, do not call for rack storing, and these are stocked on stillages so constructed to allow air space between the floor and the goods.

Every line bears a catalogue number and is binned in sequence of same. This catalogue number is consistent wherever the order may come from, and this, together with a departmental prefix letter, also consistent, enables a stock-keeper to locate an article instantly.

No material is permitted to leave the stockroom without official documents from the office, and then can only be passed on to the dispatch department.

This section has been laid out on generous lines and allows for ample freedom of movement. It is divided into two parts, home and export, and is equipped with long benches subdivided into sections corresponding with the various branches. On these benches, after it has passed a checker, is placed the material issued from the stockroom, there to await dispatch to the ordering branch.

The volume of material handled is so enormous that comparatively little case packing is necessary with the home trade; 2- and 4-ton box containers for rail dispatch are largely used in conjunction with express lorry services by road. The material particularly lends itself to this form of transport, as the majority is stocked in cartons or boxes.

A large quantity of material is exported to all parts of the world, and the subject of packing is made a special study to ensure that it absolutely suits every requirement.

These Documents Check and Re-Check Themselves

When an order is received, it is sent from the manager's office to the appropriate table in the general office. The catalogue number of the article required is noted and the stock card for that article is withdrawn from the cabinet and the order priced.

The clerk then enters on the stock card the number of articles to go forward (sometimes it is not possible to send the whole of the order at once); she then balances up the card and stamps the order "recorded", then places the stock card in a tray and hands the order to the typing section, which is conveniently situated at the other side of the office so that the dispatch documents may be prepared.

By use of continuous Fanfold stationery the typist prepares simultaneously an invoice, a draft invoice, a receiving office note, an advice note and a packing note. The receiving office note, which, as will be seen later, is always

"MANAGEMENT AND INVESTED CAPITAL"

A short summary of current practices in management methods and industrial cost reduction

Complimentary copies will be sent to directors on request.

WALLACE CLARK & COMPANY
CONSULTING MANAGEMENT ENGINEERS

European Head Office:
25 AVE. VICTOR-EMMANUEL III, PARIS

STATIONERY BUYER

When ordering—

'SWAN' INK

for general office use
remember that the larger
sizes are most economical

20 oz. 2/9; 30 oz. 3/6; 40 oz. 4/6;
1 Gall. 7/-; 1 Gall. 12/6

sent with the goods, is a most useful document at the recipient branch store, as, when duly signed, it renders unnecessary a local receipt note—hence its name. The documents used for export orders are naturally somewhat different from the above, but in essence the procedure is the same.

The typist, having completed the documents, adds the invoice number and date to the order and sends all the papers back to the sectional clerk. In her turn the clerk checks the documents against the order, enters the invoice number and date on the stock card and sends the advice, receiving office and packing notes to the stock-keeper in charge of the section concerned.

The invoice and draft invoice pass on to a comptometer operator, and the order, provided it has been completely executed, is filed away in the "finished order" cabinet.

How Uncompleted Orders are Dealt with

Where it has not been possible to execute entirely the order, details of the outstanding requirements are entered in the appropriate columns on the stock card and the order is kept in an "open order" drawer. When new stocks have been received and details entered on the stock card, the order is taken from the drawer and the same procedure followed.

The comptometer operator extends the prices and totals on the draft invoice, which figures are added to the original by the typist, who hands both copies to the accounts section, where, for the time being, they are placed in a rack.

Meanwhile, the stock-keeper looks out the material as specified on the three notes he has received, signs the packing note and sends the material, together with the three notes, to the dispatch department. Here the checker, after he has satisfied himself that the material is correct, sends the advice note to the office of the dispatch clerk. The receiving office note and the packing note are kept with the goods until they are packed. When this operation is completed, the receiving office note is sent with the goods, and, after consignment details are added, the packing note is handed to the dispatch clerk, who checks it against the advice note, to which he also adds the consignment details.

The advice note is posted so that it arrives at its destination some time *before* the goods. The packing note is returned to the accounts section of the general office whence it originally came.

In the accounts department the packing note is checked once more against the invoice, and any consignment charges which were entered in the dispatch department are added to the invoice and draft copy. The packing note is filed and the invoice and copy are placed in a rack under the heading of the branch store in question.

At the end of the day the invoices

(continued overleaf)

RELIABLE HOUSE TELEPHONES

INTERCOMMUNICATING—AUTOMATIC—LOUD-SPEAKING—The Dictograph Telephone System enables you—as Principal—by the merest flick of a key—to



SUB-STATION

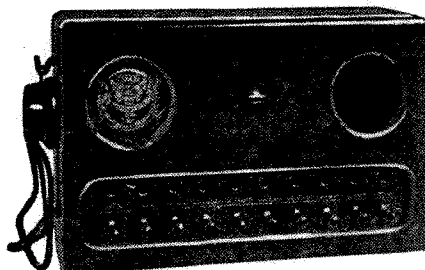
- 1** Get through instantly to any departmental member of your organization, without turning a dial, calling Exchange, holding an earpiece, or speaking into an unsanitary mouthpiece.
- 2** Talk naturally to him, without raising your voice and without moving from your seat or even from your usual attitude.
- 3** Hold a conference between several of your departmental "heads" without anyone leaving his department "leaderless".

4 Hear their replies aloud through a loudspeaker as distinctly as if they were standing at your side. If you wish your replies to be for your own ear only, an earpiece is provided.

5 Retain both hands free to write or hold papers whilst you talk, or even walk about the room or dictate your letters.

6 Secure right of way in a polite manner over other conversations between your departments.

**AND ALSO PROVIDES
FULL OR SELECTIVE INTERDEPARTMENTAL COMMUNICATION**



MASTER STATION

Can you afford to be without such conveniences in your business? It will cost you nothing to find out. We give free demonstrations in your own premises without charge or obligation.

DICTOGRAPH TELEPHONES Ltd.

Head Office and Works:

Aurelia Road, Croydon

London Sales Office: **ABBEY HOUSE, WESTMINSTER, S.W.1**
Telephone: Victoria 5714 (3 lines.)

BRANCHES:—LONDON, MANCHESTER, BIRMINGHAM, GLASGOW, DUBLIN, BELFAST, LEEDS, BRISTOL, NEWCASTLE, CORK, Etc.

LARGER LABELS FOR WIDER PUBLICITY



SAMUEL JONES & CO., LTD.
LONDON, E.C.4

The difference in cost between a large, well printed label and a small one is negligible. The difference in advertising value is enormous.

TALK TO YOUR PRINTER

about them and specify Samuel Jones' **NONCURLING GUMMED PAPER**

Ask him also to send you the LABEL BOOK. It is FREE and enables you to order your labels easily and quickly.

NICKELOID



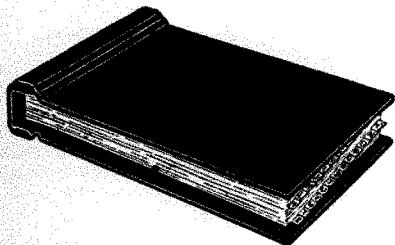
PHOTOGRAPHY • BLOCKS

P314

ON
THE SPOT
!

Reference to records is quick and easy when you use "ROBIN" LOOSELEAF BOOKS. Simply glance at an alphabetical index, turn over the pages and there is the information you require—on the spot.

Take advantage of this special trial offer: "Robin" Looseleaf Book with A-Z index and 200 leaves ruled faint, cash, double ledger or for stock records for 10/- on seven days' approval.



May we send you our 66-page illustrated catalogue?

J. W. RUDDOCK & SONS
LINCOLN :
also at 3 Old Jewry, E.C.2

for each branch, together with a totalled summary, are posted to that branch. The summary, which is typed in duplicate, ultimately forms a page in the bought and sales ledgers at the branch and central stores respectively. The draft invoice, after being marked with the number of the summary, is filed.

It may be mentioned here that all incoming invoices to the stores are also accompanied by a similar summary, which becomes a page in the stores' bought ledger.

Month by month each departmental manager at the head office in London is informed of the total value of his department's stock, also the value of the material received and issued during the month. The latter figure is analysed to show the exact amount taken by each branch store.

How The System Makes Pilfering Impossible

It has been seen that during the time the goods are in the dispatch room the records of the transaction are in four different parts of the building. The clerk in charge of the office section has the stock card, the accounts department has the invoice and draft copy, the receiving office note and packing note are with the goods on the dispatch bench, and the dispatch clerk has the advice note. *Without the collusion of officials in all four sections irregularities are therefore impossible*, for alterations to a single individual note or incomplete execution of the order would speedily be detected.

A further advantage is the fact that one process cannot be completed until the document relating to the former one has been completed and received by the responsible person. Consequently, each department is pressing the other departments in order to complete the transaction, and it is thus impossible for any order to be shelved and forgotten. If, for instance, the dispatch clerk finds that an advice note has rested in his rack a suspiciously long time, he immediately inquires as to the cause from the packers; if an incompleting invoice remains in the accounts department for long, inquiries are made from the dispatch clerk from whom the packing note is required. Thus the work of one or more sections is held up if a link in the chain is broken, so if an accident does occur it does not remain broken for long.

The stock card shown in the heading of this article is a singularly complete record. When the clerk has completed the entries for the order in hand she places the card in a tray so that it can be examined by the sectional chief, who takes note of the stock remaining, so that, if necessary, a further supply can be ordered from the works.

These Cards Show Histories of Stock Movements

The essence of this system of stock

maintenance is to ensure that the quantity in the bins, together with that being manufactured, if any, does not fall below the minimum which has been decided upon and which is clearly marked on the card. The stock card also gives details of the parts of the country in which the particular article it represents is being distributed, and the existence of these columns does away with the necessity for distribution graphs. Where stocks are temporarily exhausted provision is made for recording outstanding requirements. In itself the card forms a complete record and history of all incoming and outgoing materials.

In a store of this magnitude stock-taking is a formidable task, yet nevertheless it has to be done. As much preliminary work as is possible is done prior to the appointed day. Stock-books containing details of every item handled by the stores with the prices of same are prepared, and the senior stock-keepers are provided with the requisite quantity of numbered stock-taking cards. Every bin and stack has its card—the counting of stock gradually progresses, alterations being made to the original figures in accordance with the movements of the material.

On the final day all cards are collected and passed to the sectional clerks in the office for checking against the stock card. Errors are investigated and put right. When perfect agreement is reached the stock cards are marked accordingly, the quantities are entered in the stock books, and these are then handed on to the comptometer operators for price extension and totalling.

The system is such that, except for the period when the stocktaking cards are being checked against the stock cards, there is no interruption in the general work of the stores.

Meanwhile, the accounts section has been busy agreeing outstanding accounts with the branch stores and works. As all material issued to the branch stores is charged at cost prices, it follows that the value of the stock at the commencement of the year, plus the purchases made during the year less the sales to the branch stores, must equal the total value of the stock according to the stock books.

Here's An Idea Any Firm Can Try

A firm of caterers in the United States builds goodwill with those who deal with it in the following way. Whenever a bill is paid a slip is attached to the invoice, bearing the legend: "Thank you for the good service which has made the sending of this cheque a pleasure." "We were laughed at in the early days of this courtesy campaign," said an official who was visiting London, "but we find it much easier to get special service when we have big jobs on than do the people who laughed at us. The courtesy is small, but its good effect is large."

Why We Use A GROUP PENSION and LIFE INSURANCE Scheme

By SIR HERBERT AUSTIN, K.B.E., J.P.
Chairman, Austin Motor Co., Ltd.

It is the view of this company that peace of mind among employees, arising out of a feeling of financial security is a definite business asset. That is one of the main reasons why we decided to install a pension and insurance scheme for the benefit of the male members of our office staff.

For a very low weekly contribution on their part, supported by a substantial sum from the Company, members of the plan receive a number of important benefits, including protection of dependants should any member die while in our service, and an income for life for all members after the age of 65. Should any member die in less than five years after the normal pension age, a minimum of 5 years' benefits is guaranteed.

The scheme is arranged on a contributory basis, the member contributing at a rate proportionate to his pay:

ments over a period at one of the following rates:—

- (a) If the sum assured is £100, £2 12s. 6d. per month for 40 months.
(b) If the sum assured is over £100, £1 16s. 0d. per month for 60 months per £100 assured.

In addition, the member gets a refund of all his own contributions with 3% per annum compound interest, calculated to date of disablement, together with such pension from normal pension date secured by the contributions already paid on his behalf by the company.

Should death occur before the full instalments of disablement benefit have been paid, the present value of the balance would be handed over to the deceased member's representatives.

The Life Assurance benefit is another important asset to members of the scheme. It provides them with a security of which workers in their category rarely take sufficient advantage.

That, in the main, is the basis of our scheme. There are, of course, several other minor advantages to members, such as being able to draw a proportionate part of

Class	Annual Remuneration not exceeding	Annual Pension payable from normal pension date* for each complete year in the appropriate Class	Weekly Contribution payable by member	Life Assurance while in the appropriate Class
A	£ 78	£ s. d. 1 0 0	6d.	£ 100
B	140	1 0 0	1/-	100
C	190	1 10 0	1/6	150
D	250	2 0 0	2/-	200
E	350	3 0 0	3/-	300
F	450	5 0 0	5/-	500
G	650	7 10 0	7/6	750
H	850	10 0 0	10/-	1,000
J	over 850	15 0 0	15/-	1,500

* The Normal Pension Date is the anniversary of the member's entry into the Scheme which is nearest to attainment of age 65.

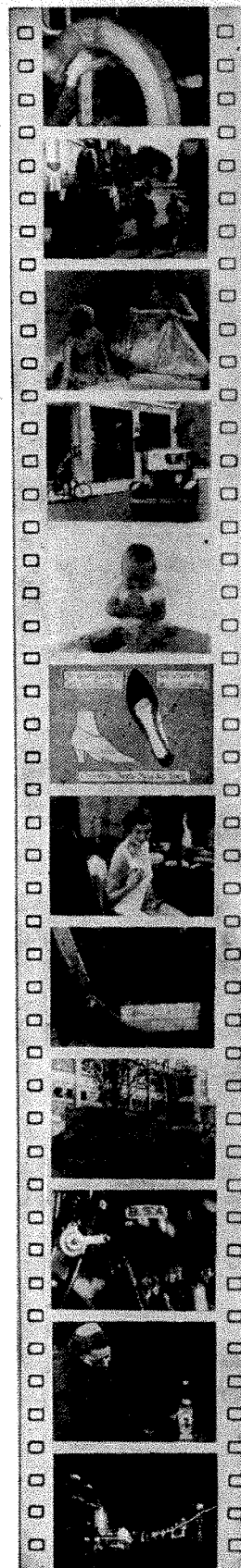
For example: A member enters the Scheme in Class C at the age of 22. His remuneration rises eventually to, say, £312 per annum, and he retires with a pension of £102 per annum, made up as follows:

	£	s.	d.
For 8 years in Class C @ £1/10	12	0	0
" 15 " " D @ £2	30	0	0
" 20 " " E @ £3	60	0	0
43 Total pension at normal pension date	£102	0	0

An important provision in the scheme is that of protecting members against total and permanent disability. In the event of a member becoming totally and permanently disabled while in the service of the Company before he reaches 60, the sum assured otherwise payable at the death of the member will become payable by monthly instal-

ments over a period at one of the following rates:—

ments over a period at one of the following rates:—



The Dunlop Rubber Co., Ltd., Birmingham.

Henry Whitway & Co., Ltd., Whimple.

Quilts Manufacturers, Ltd., Manchester.

The Standard Motor Co., Ltd., Coventry.

Farley's Infant Food, Ltd., Plymouth.

Church & Co., Ltd., Northampton.

George Spencer, "Vedonia", Nottingham.

Joseph Lucas, Ltd., Birmingham.

The Shredded Wheat Co., Ltd., Welwyn Garden City, Herts.

Birmingham Small Arms, Birmingham.

Coates & Co. (Plymouth) Ltd., Black Friars Distillery.

Corporation of Gt. Yarmouth and Gorleston.

A few of the firms who have taken advantage of the organised service of

NATIONAL PROGRESS FILM Co. Ltd.
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Telephone: Gerrard 3913
Telegrams: 'Profilmaids, Rath, London'

COLOURDEX Ensures Visual Control

of STOCKS, COSTING
SALES, PERSONNEL
ETC.

An entirely new system which combines complete visual control with the following advantages:—

- It is essentially simple
- Skilled employees are not required
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Further details sent upon application to:—

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Melbourne House, Aldwych, W.C.2

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(Pronounced ADDRESSAWL)

INDEXOGRAPH

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A modern improvement in mechanical addressing methods combined with an up-to-date filing & recording system.

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**INCREASE YOUR SALES
REDUCE YOUR COSTS &
ENSURE 100% ACCURACY**
throughout your whole organization.

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HOLBORN 3751

P.S.

Enquire the advantages of the
**P.S. SECRETARIAL
CENTRE**
to undertake secretarial duties of any organisation in the New Year
Phone Chancery 7727

20, High Holborn, W.C.1

Philip Samuel

6 QUESTIONS

For Management

(Continued from page 9)

end of the week a comparison is made between the hours allowed for the work performed and the actual time taken. The profit made on the week's work is divided, twenty-five per cent going to the firm and the remainder to the operator. We find that this method, besides affording a valuable incentive to the operators, also enables us to keep our production costs at or below estimate.

For departmental foremen we employ a different method. In addition to a weekly salary, we pay a monthly efficiency bonus, calculated by comparing departmental costs with a pre-determined standard. This eliminates unnecessary expense, controls the use of indirect shop materials, reduces shop overheads, and tightens up supervision generally.

6. How do you ensure generally a minimum wastage of material and a maximum usage of spoiled units or scrap?

With regard to direct materials, economy is controlled as previously mentioned by our drawing office system. But to eliminate wastage of commonly-used indirect materials, such as soap, soda, oil, cleaning rags and a multitude of other items, we have an arrangement whereby expense in this category has a definite effect on each foreman's efficiency bonus. A standard expense for the week is fixed in advance, based on previous figures. This is compared at the end of the week with actual cost. Each foreman receives a statement of results weekly, and if any man finds that his costs are up for the first week of the month he will naturally do his utmost to reduce expenses during the remaining three weeks so as to earn a hundred per cent efficiency bonus.

With regard to the usage of scrap, we employ one man, full time, investigating the possibility of recovering all spoiled work. Everything rejected by the inspection department passes through his hands, and in addition he receives lists of redundant materials and components lying in the stores. It is his duty to act as liaison officer between factory, stores and designs, in order that no work or material shall be scrapped unless it is absolutely unavoidable.

This man regularly saves the firm thousands of pounds annually, and is paid a bonus on results.



400 SIZES to choose from

There are four hundred sizes of GUELPH Cask—giving a range of capacities varying from 600 to 12,300 cub. ins. Wouldn't one be suitable for your product?

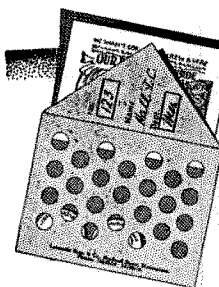
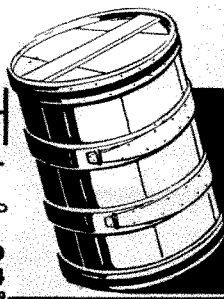
See our exhibit at the British Industries Fair commencing February 19th, 1934 Stand G.31

The

**GUELPH
PATENT
CASK C° L°**

WEST FERRY RD
MILLWALL E.14
PHONE: EAST 0279

Also at Manchester, and Scotstown, Quebec, Canada



NO
MORE
DISPUTES

ON PAY DAY

BUSINESS houses are eliminating unpleasant wage disputes by employing LANCASTER'S NEW PAY WALLETS—the really efficient pay envelope. Employees can check their money—even handle their notes, without extraction and without tearing the wallet.

In case of a mis-count, wages can be easily checked without opening; the sealing being absolutely secure and permitting of wages being made up and sent any distance without risk.

Yet LANCASTER pay wallets are with practice speedier than the ordinary transparent envelope because notes need not be folded.

Free sample Wallets
and Prices on request.

LANCASTER BROS. & CO.

Cash Bag and Envelope Specialists

Shadwell Street
Birmingham 4



NEW BOOKS For The Business Man

Works Management Education, by T. H. Burnham, B.Sc., B.Com., etc. (Pitman's, 7s. 6d.).

Management has become a profession; therefore it demands a specific preparation. Progressive firms are now attaching more and more importance to the training of staff. This book, therefore, the first of its kind to devote the "Case System" to works management is particularly opportune. It is definitely a work to be sought by the executive concerned in any way with the management of better training of works personnel.

Printing: Its History, Practice and Progress, by H. A. Maddox (Pitman's, 5s. net).

This second edition of Mr. Maddox's "Printing", brought up to date, is written in the clear and informative style familiar with all accustomed to his articles in the trade journals. It is intended for that rapidly-increasing number of business men interested in printing and its development, in many ways.

From the brief historical sketch and the dawn of its later progress at the beginning of last century, letterpress printing in all its diverse phases is explained to present and potential print buyers in easily-understood and freely-flowing language.

Type differentiation, hand and mechanical composition, type-setting and equipment, linos, tipos and monos; stereotypes, zincos, with line blocks and the respective methods of production, and descriptions of machines, are rapidly and simply explained. A chapter on "paper" and a good index are very helpful.

Fifty-eight illustrations and tables of type faces and measures, and specimens of various founts and half-tone screens in common use assist the reader.

Practical Commercial Travelling, by Ronald T. Lewis (Pitman's, 3s. 6d.).

A useful handbook of information written by a commercial traveller who has had many years of hard experience.

The Basis and Essentials of Spanish, by Charles Duff (Desmond Harmsworth, 3s. 6d.).

This is the third of a series of books on modern languages in which an entirely new method is offered. Containing grammar, idioms, vocabulary, reading matter and an introduction on learning Spanish, it will be found of great assistance either for self-tuition, to be used in connection with existing text-books, or for revision.

Business Man's Guide (Tenth Edition) (Pitman's, 6s. net.).

The title of this book does not convey the full scope of its usefulness. It is really a most comprehensive dictionary of com-

mercial information. The facts contained in its 500 odd pages will be found invaluable to business men to clear up the doubts and difficulties of everyday business routine.

Practical Book-keeping, by A. H. Winterburn, F.C.I.S. (A. Brown & Sons, Ltd., 3s. 6d. net).

For elementary and intermediate students this is a valuable book. The author is Commercial Master, Clerk to the Governors and Secretary of the Hymers College, Hull, and is lecturer on Book-keeping, etc., at the Hull College of Commerce. The book covers the syllabus of the Elementary and Intermediate Examinations in Book-keeping of the Royal Society of Arts, the Junior Commercial Examination of the London Chamber of Commerce, and of the School Certificate Examinations of the Universities of Manchester, Liverpool, Leeds, Sheffield, and Birmingham Joint Matriculation Board.

Paper, by H. A. Maddox (Pitman's, 3s.).

A history of paper-making from the time of the early Persians to the present day, and a complete survey of paper manufacture, its sources and processes. Illustrations of machinery and methods are extensive, and there is sufficient modification of trade and technical terms to make the subject intelligible to the non-technical reader.

1934 Companies Diary and Agenda Book, by Herbert W. Jordan (Jordan & Sons, Ltd., 4s.), contains complete diary with notes on British Company Law and Practice, stamp duties and registration fees. Particulars of annual returns required under the Companies Act, and Inland and Foreign postal regulations. Complete with calendar for 1935.

Successful and Happy at Thirty, by Herbert N. Casson (Efficiency Magazine, 1s.).

What Every Clerk Should Know, by J. J. Stark (Efficiency Magazine, 1s.).

Business Under the Recovery Act, by L. Valenstein and E. B. Weiss (McGraw-Hill, 8s. 6d.).

Modern Industrial Organisation, by Herbert von Beckerath, Ph.D. (McGraw-Hill, 24s.).

CORRECTION

Last month we stated, inadvertently, that **The General Principles of Factory Costs**, by Percy H. Walker, F.S.A.A. (5s.), was published by Gill & Co. This should have read: **Gee & Co.**

THE PRINCIPLES AND PRACTICE OF MARKETING

by R. SIMMAT, M.A.

Author of "Market Research"
and "Personal Salesmanship"

This new book defines the basic principles of marketing, and shows how they can be applied to all types of branded and unbranded goods. It covers the entire process of distribution, and explains how to sell to the largest number of consumers in the most economic way. Full of actual plans, practical hints and suggestions for selling more goods increasing turnover and raising profits.
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This Co-operative Idea SOLVED A Marketing Problem

If you had invented a vessel for serving hot drinks, the novel feature of which was that the saucer served the alternative purpose of a lid, it is probable that you would have some difficulty in marketing it.

The price you would expect the public to pay would not provide a margin big enough to justify a big advertising campaign. On the other hand, it would be necessary to launch it on a wide scale to forestall imitation.

Wedgwoods, the well-known pottery concern, found themselves facing this difficulty. But they overcame it, and very successfully, in an ingenious way. After arranging for full production, they arranged with the great firm of Cadbury's to advertise it nationally, and for the well-known department store, Heal's, to sell it retail.

The first announcement of the new product gave only a hint that it was to be the subject of a premium scheme. A full page in a national weekly announced "Wedgwood's New Idea", a beaker with a double-purpose saucer, sold for 1s. 6d. at Heal's. At the foot of the announcement were the words: "Further particulars will be issued by Cadbury's."

A few days later the big nationals carried announcements of "Cadbury's wonderful offer". The beaker that cost 1s. 6d. could be had free with a half-pound tin of Bourn-Vita costing 1s. 5d.

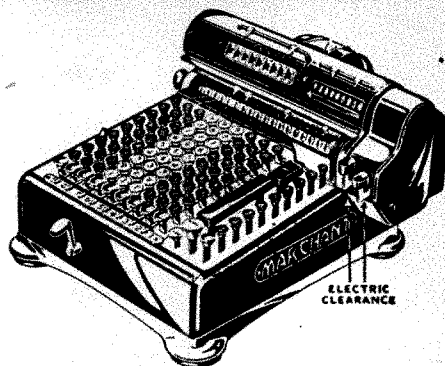
Gave Retail Trade a New Line

Orthodox opponents of gift schemes would say that this is an illegitimate traffic in another trade's goods, that the chinaware shop is being robbed of its due profit. But in fact Cadbury's enterprise is providing for a branch of the retail trade a new line which will continue to sell long after the gift offer has expired. Many people who read these advertisements will prefer to buy the beakers instead of qualifying for them by buying a beverage—many more, certainly, than would have heard about the new vessel if it had not received the publicity which Cadbury's are giving it. And earthenware vessels break and need replacing.

Two hundred extra workers had to be engaged by Wedgwood's to make the beakers—600,000 of them—and for the first time in the history of this famous pottery, mass production methods had to be employed. It was the largest single order Wedgwood's have ever received.

The first announcement of the gift appeared on a Friday. By the Monday every one of the 600,000 beakers had been disposed of.

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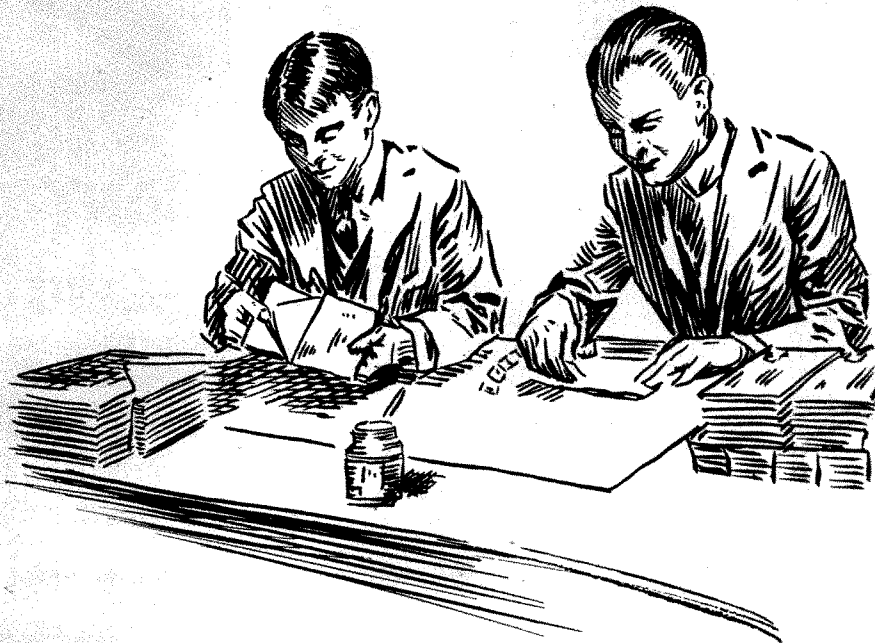
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THINGS JUST AS
WASTEFUL

By THOMAS DIXON

BUSINESS men are in business to make money. Every penny they spend is spent with that end in view. If the penny does its work, if it brings in a profit, it is money well spent.

You would not think of paying your office boy half-a-crown an hour. His work is not sufficiently important: it cannot bring in a return commensurate with such expenditure. It would not be economic. There must always be a relation between the wage paid and the value of the work performed.

Yet business men who would laugh at the very idea of paying such a wage to an office boy do actually waste scores of thousands of pounds every year in exactly this way—paying too high a price for work done.

To pay a man £10 a week and set him to handle routine work which a machine or a junior would do equally well is just as uneconomic as to pay the office boy 2/6 an hour.

High wages and salaries? Yes. *Provided you get the value in work, high wages pay the employer.*

Output, not salary paid, is the measure of your workers' value to you. A man or woman may be absurdly overpaid at £5 a week, while another is as absurdly underpaid at £10 a week. A "standard rate" on any job (unless it is piecework) means that the good men are underpaid while the inferior workers get too much.

Take the case of two shorthand-typists working side by side in the same office, each paid £2 10s. a week. Miss A. types 500 lines a day, Miss B. 600 lines. Miss B.'s typing is *cheaper* than Miss A.'s—she produces more.

Supposing Miss B. suddenly increases her output to 1,200 lines per day. What follows? She has halved the cost of her work: the salary you pay her is bringing you in *twice as much*.

Take your own case. Supposing you could save one hour per day. You could do more work in the same time: in other words your time would be worth more because it would give a bigger output of work.

These are not fanciful, imaginary instances. They show what actually will happen if you install The Dictaphone. The output of the typist is instantly doubled, so that the typing she does costs only half as much. You save an hour a day and increase your own personal output—far more valuable, of course, than the typist's—by just that amount.

Note that neither you nor the typist need work any harder. You simply save time—you utilize hours at present wasted and devote them to *productive* instead of *unproductive* effort.

To pay your typist for writing shorthand is just as illogical as it would be to pay the office boy half-a-crown an hour. Shorthand *produces* nothing, but wastes time. With no shorthand to write the typist either turns out twice

as much typing or devotes the time she saves to *useful* work.

Let The Dictaphone handle your dictation. Cut out the waste of time on shorthand. Save yourself at least an hour a day by doing things quicker, better, exactly when they ought to be done. Don't go "*paying your office boy half-a-crown an hour*".

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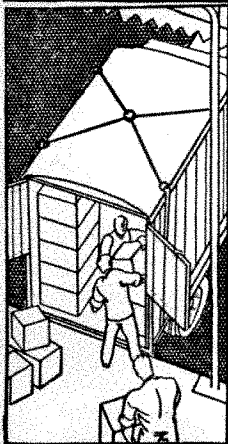
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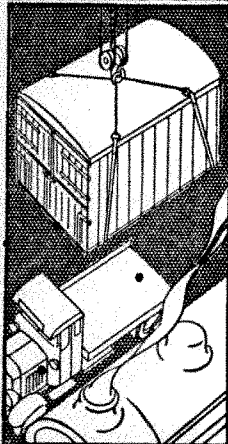
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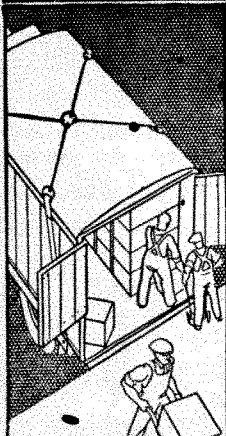
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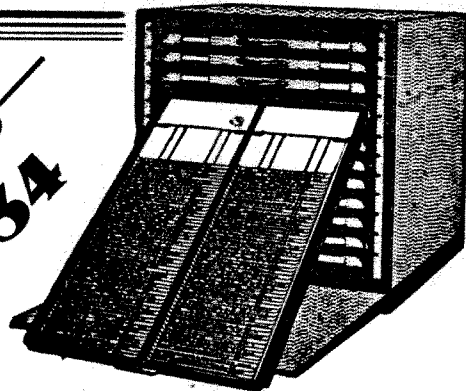
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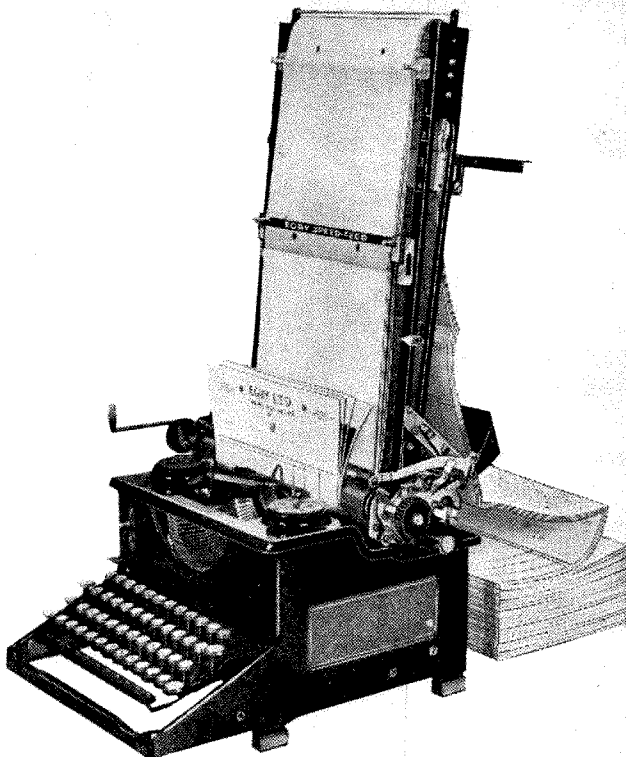
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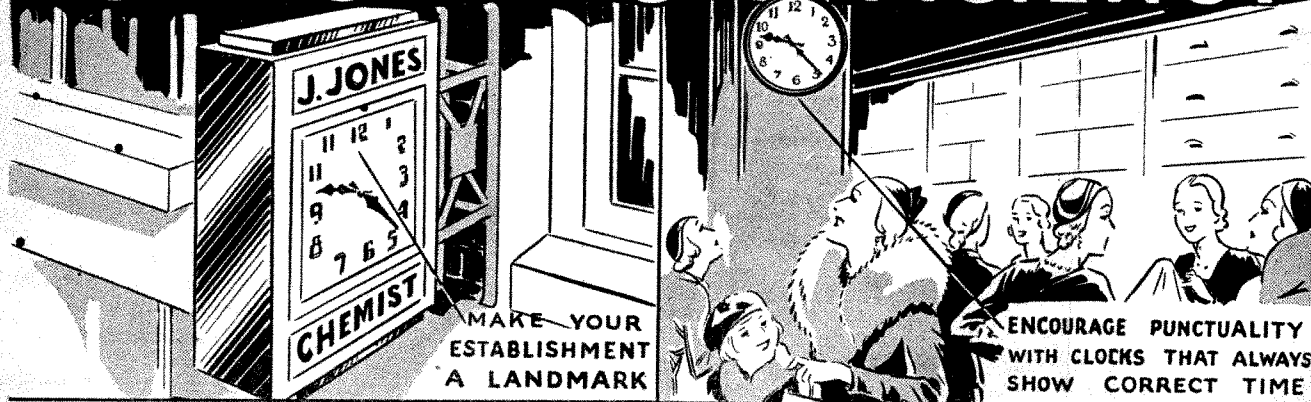
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Scientific

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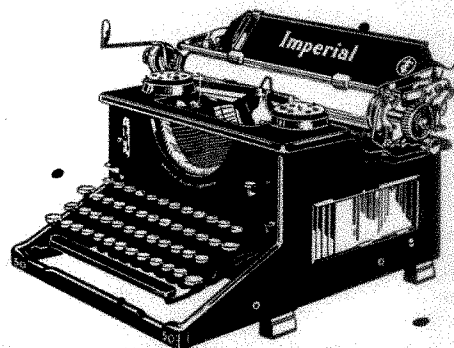
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because it provides the most
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and is all-British

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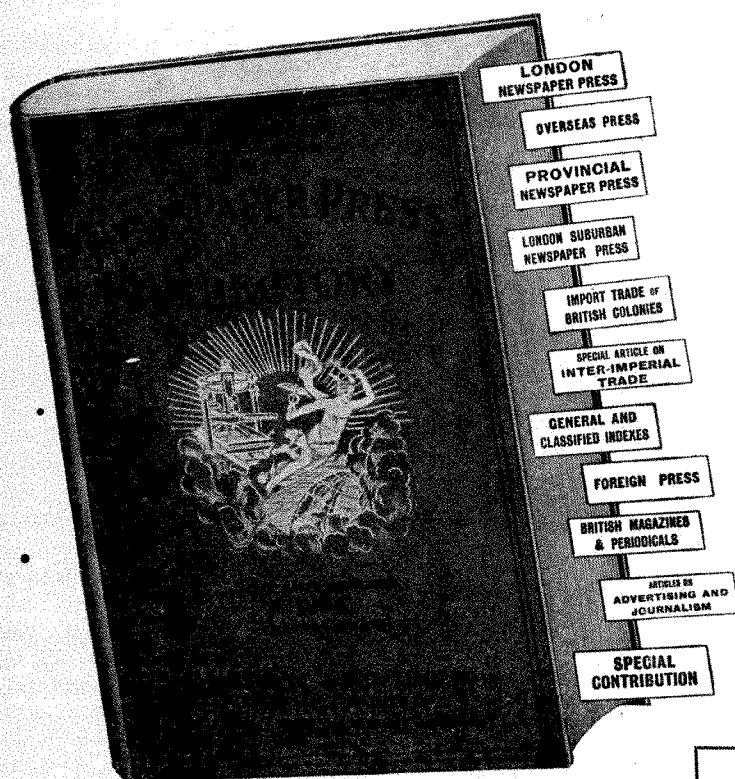
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1934 Edition



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FEBRUARY, 1934

BUSINESS

MANAGEMENT • CONTROL • POLICY

Our Policies For . . . PLUS Sales

This Year



By
A. R. ZOCCOLA

Managing Director
Parker Pen Co. Ltd.

the colouring and everything else about them is obsolete. But they still write beautifully. Therein lay our sales tragedy.

The position which faced us in 1932 was serious enough. Our factories were short of work; we were touching only 60% of our former sales in the high priced lines. These sales we could not hope to push much higher. The problem was to hold them where they were. At the same time there was a 40% sag to be made up. The big problem of the 40% sag is left to the new and less expensive lines.

In this range we brought the price of the Parker pen down from the old minimum of 21/- to a new minimum of 12/6. We made the same reduction possible with new pencils.

But we did not call these new lines Parker Duofold lines; they were just plain Parker's. Nor are any of our special services to the purchaser included with them.

Seven Possible Ways to Stimulate a Market

There are seven different ways known to me of meeting this particular marketing problem:—

1. You can cut prices and reduce the quality of the article, which would probably be fatal to the prestige you have built up by years of effort and expenditure.

To cut prices without reducing the quality would be almost impossible, more particularly as our production and sales are world-wide.

2. You can produce a cheaper line and sell it under a different brand name.

While this has been done brilliantly by many concerns, notably by Lotus shoes with their Delta lines, it did not seem to be suitable in our case, since so much had been spent on making our own brand name a household word.

3. You can introduce a cheaper line under your own name. But again you may damage the reputation of your expensive lines.

4. You may add an additional gift or service to your expensive line.

This will help you to sell to the already shrunken market with which you are contending, but it is unlikely to tap a wider market. It is hardly likely to keep your factory running full time.

5. You may introduce a secondary line which ties up closely with the original line and can be sold with it for gift and other purposes.

In our field this has already been done by the addition first of the self-propelling pencil, and secondly of the special ink-stand. So this way of escape is really closed to us.

The last three years have been hard for everybody. But to get the full force of the icy blast you had to be selling non-essentials. Then the draught caught you right between the shoulder-blades.

It is true that the semi-luxury trades felt the effect of a slump late. For instance, we made our peak sales in Great Britain and Europe during 1930, although the Wall Street crash came in November, 1929. But by 1931 we were in the thick of the trouble; in the following year things were still worse.

Our pens have one unfortunate quality from the sales point of view during a slump—they can be made to carry on almost indefinitely. Also they were expensive compared with many other fountain-pens. There are still business men walking about unashamedly with pens which are really museum pieces. The design,

6. You may re-design your product, giving it a new fashion value, and at the same time render some of your older models obsolete.

In the case of a fountain-pen, the design can be changed only in rare instances. For the fountain-pen is not in the fashion class. Indeed, men users strongly resent the intrusion of the fashion element in their business equipment.

7. You may find an entirely new sales channel through which you can sell more of your lines.

The most painstaking care has failed to show us any new sales channel available that will not conflict with our very wide distribution through the specialized pen shops, the stationery trade, the bookselling trade, the fancy goods trade and the high-class gift shops.

It is possible to combine two or more of these policies. This is what we decided to do in 1932, when the world appeared to be giving up the habit of buying fountain-pens once and for all.

This is the Plan We Chose To Follow

We resolved on the following new marketing policy to meet the situation:

- a... *The introduction of less expensive lines, to be marketed through the same retail channels as our present expensive lines.*
- b... *The addition of three special services for the customer with each of our expensive lines.*
- c... *A special service to the retailer which could be tied up with the volume of his sales of Parker pens.*

Of the success of this three-part new policy I need only say one thing. Our home sales are again only a fraction

below the 1930 level and they show no signs of sagging. Our export sales are up by 17% on last year.

It is always a slow business to sell cheaper lines of a formerly expensive product. Particularly if you are seeking no new channels of distribution. But the results so far have been most encouraging. There can be no question that we are building up a very heavy volume of sales in these new lines. For our agents are now able to compete with any of the less expensive lines of our competitors on equal terms.

The actual selling of these pens we have left to the retailer, backed by our advertising. For it is the expensive rather than the cheaper lines which call for maximum advertising support in these days.

The second part of our policy was to put extra impetus behind the expensive lines. This we did by offering three fresh services to the purchaser.

We Insured Users Against Loss of Pens

The first was a free insurance against loss and theft, for a period of two to three years. Our competitors prophesied that this would sink us. But it has proved a big success.

Here we came across a curious problem. We could not successfully use the word "insurance", since that has become rather soiled owing to the limitations of certain newspaper policies. So we called it "Free Replacement". The expensive lines quickly reacted to this powerful dose of oxygen. To-day our only difficulty is to get enough retailers to push the services. So many retailers are loath to use sales aids like this.

Retail selling can be divided into three grades, only the second of which is admirable. The first is the mechanical distribution or order-taking which loses us so many sales. The second is the

virile selling which uses every ounce of merchandizing service we put behind the goods to the utmost. The third is that detestable form of over-selling which one can only call "soliciting".

Some of my friends said that this scheme would be possible only in honest England. But it has been more successful in Denmark than anywhere else, and we have done well with it in France, Czecho-Slovakia and Holland. In England it has been successful only so far as the retailers have used it. Those retailers who made up their minds to use it have materially increased their sales. But many of them keep it a dark secret, regarding it merely as another form to fill up. In other words, a damned nuisance!

Our second service is an offer of overhaul and adjustment free to purchasers.

Free Service of Pen Overhaul to Purchasers

This brings the customer back into our agent's shop, so that it gives an opportunity for further sales with every visit. At the same time, it shows the customer the value of an occasional complete overhaul of the pen. For this service the retailer is entitled to charge 2/-; and, of course, every visit for an overhaul is keeping the customer in touch with the retailer, and making him a friend. This service has become extremely popular in the trade. A large proportion of our retailers realize that a little bit of free service offered is a sprat to catch a mackerel. It not only makes the sale of the pens easier, it encourages the purchaser into becoming a regular customer at the shop.

The next service was designed to jazz up the slack month before Christmas. It is an effort to meet the problem to which we referred before, which affects the makers of all good serviceable mechanism—the tendency to prolong life.

Studying the way in which the motor industry and the radio industry have met this problem, I was impressed by one fact. Nothing else but the purchase of the old model will ever get the new model sold in many cases. But unfortunately neither the motor nor the radio manufacturers have any control over the price at which the retailer buys. If one dealer offers you £20 for your old car, you can probably find another who will offer you £25, and yet a third who will offer you £30. In other words, it is practically impossible to control part exchange prices in these industries.

We Had to Withdraw Old Pens from Users

The fountain-pen, however, is a smaller and a less highly competed article. So we put into operation a controlled part exchange plan. We were not content with having the old junk taken back. We were determined to take it off the road.

To do this we first laid down what our dealers should allow for each of our old models. We went one better; we

(Continued on page 34)

These Are The SALES-WINNING POLICIES

This firm markets a non-essential product. It therefore faced a high sales resistance among purchasers due to the stringent times. How, then, could sales be increased? The policies below have already 'picked up the slack' and show great promise for 1934:—

1. **New lines to sell at a lower popular price**
2. **Three special services to customers:**
Free replacement of lost pens; Free Overhauls; Good Cash Allowance on old pens if new ones bought.
3. **To Agents, Free Life Insurance to the value of sales.**

Have you considered introducing new models, new prices, additional services, fresh dealer-helps or some PLUS factor to boost YOUR Sales?

Stocks Reduced

Turnover Increased



One of the important points in this plan is that each retail branch manager fixes his own budget in personal collaboration with the budget controller at head office. This induces far better results than arbitrarily thrusting head office-made quotas upon the managers.

At the end of last year a critical review of the retail side of the business convinced us that our position could be considerably improved by a tightening up of certain major factors.

I might mention that there are two sections to the Jaeger business: one, the wholesale, in which we supply the independent retailers throughout the country who are our appointed agents; and, two, the retail, which comprise our own retail Jaeger shops, supplied and run by ourselves.

The wholesale section naturally forms the greater part of our business. We have, however, twenty-five shops of our own, and the sales forecasting scheme briefly described here at present applies only to this retail section. It has, however, worked so extremely well in practice that we are even now devising a means to apply it also to the wholesale.

The review directed last year at the retail part of our business revealed to us that, generally speaking, our stocks in hand were too large and the rate of stock turn too low. We decided that by a system of sales forecasting—budgeting—we could not only work more profitably on a narrower margin of stock, but that we could also increase the speed of our turnover by more definitely separating the various sections and keeping a more "sensitive" control over each.

How We Secured More Accurate Control

This delineation of the various sections was essential, as obviously the gross average turnover of a branch was not a sufficiently accurate guide by which to judge its progress; the individual turnover speed of the different sections varies too much. For example, a yearly turnover of 12 times for certain fashions may not be enough, while for underwear 6 times might be quite good.

In devising our new plan of sales

forecasting we had in mind two facts:—

1. That sales forecasting gives a departmental manager a complete plan to work on. It gives him a definite standard for each of his departments and enables him to see, as the year goes on, how his actual results compare with the standard. It also gives head office a similarly definite control.

2. That control of every other department of the business is affected by this forecast of sales.

Suppose, for example, that in the sales forecast one section is allocated to sell £2,000 in February, £3,000 in March and £4,000 in April. Now the sales manager can try to live up to that, or at least he can be guided by it. But this allocation also controls other things: it means that deliveries into stock for that section must be planned so that they will be sufficient to meet these sale requirements, and that stock at all times must be large enough for safety, but not large enough to lock up capital unduly in merchandise that is difficult to move.

The forecasting plan gives each branch manager, MONTH by MONTH a definite standard of turnover for each of his departments to reach. Each month, also, head office control checks and assists each manager to achieve his quotas. The plan is thus continuously progressive

By This Simple FORECASTING Plan

By H. ARNFIELD, A.I.S.A., A.I.B.

Accountant and Budget Controller, The Jaeger & Co. Ltd., Retail Section

forecasting we had in mind two facts:—

1. That sales forecasting gives a departmental manager

In the same way, too, the sales forecast may affect the amount to be spent on advertising, the number of sales people needed, the amount of delivery equipment wanted, the number of packers and drivers and the amount of packing material wanted, and so on.

All these variables, together with purchase requirements, will then in turn affect the financial arrangements by causing variations in the amount of merchandise and expense, invoices and payrolls that must be met.

Each Branch Manager Sets His Own Budget

All operating plans of the business, then, are influenced by the forecasted volume of sales. Thus it is obviously necessary that the sales estimates be prepared on the basis of the most complete data and by careful judgment.

We endeavour to get our sales forecasts as accurate as possible by making use of a special plan.

Our branches are situated in different parts of the country, and in estimating sales budgets we do, of course, consider the local market conditions by examining the states of employment and reported conditions of various prevailing industries. But we get even closer to specifics by the following plan:

At the beginning of the budget period (we budget for six months ahead), each branch manager is provided with a sales forecast sheet (see illustration). Each branch manager, in turn, discusses with the management prevailing conditions in his locality. We then, together, arrive at a practicable estimate of sales for the various sections and fix in advance the stock turn required for each. From this we can work out the stocks required to do this business and plan our purchases.

We find that this plan works admirably; the branch managers take the whole thing more seriously than they would if head office merely sent them by post a budget form to fill in. The fact, too, that the managers have to go into the matter personally with me urges them to give the most careful consideration to every influencing factor.

They know, too, that once the budget figures have been arrived at, it is they themselves who have fixed the quotas. We are very careful about that. We, as head office, never attempt arbitrarily to thrust upon a branch manager any estimated figure of our own. Our function is to help the branch manager to weigh up his own potentialities and to let him fix his own forecast of sales volume and turnover rates.

The forecast, as I say, operates for six months. In the meantime, however, reports of progress are made every month so that each branch manager can see exactly how he is getting along. They are made in this way: all branches send their sales dockets and invoices to head office daily, where they are dissected, and a stock control sheet is produced monthly for each branch which shows in great detail the sales, purchases, stocks, mark-ups, reductions, and number of customers of each individual section in the branch.

For the whole of the month each branch manager holds his budget sheet (see example in the illustration). At the end of each month he sends it back to head office, where the actual figures are filled in from the stock control statements. Head office then immediately returns it, together with appropriate helpful criticisms.

From month to month, therefore, branch managers can see exactly how they stand in relation to the budget and can much more easily employ any necessary corrective measures than they could if they had to wait for the completion of the budget period before their actual position was revealed.

Plan for SERVICE

"The customer is for ever at the end of the industrial transmission line. While we provide the steady commodity flow from organization to customer, never forget that the customer provides the money flow back to the organization."

"This money flow is a direct function of the SERVICE rendered by the commodity flow. Constantly to improve the ratio between SERVICE and PRICE must therefore be in the forefront of the business man's mind."

A. P. YOUNG, O.B.E., M.I.E.E.,
M.I.A.E.
The British Thomson-Houston
Co., Ltd.

is ready to help or advise on any problem that may be in question. He glances at the budget, drops a hint here, a word of advice there, and is, in actual fact, the real liaison officer to promote the best feeling of goodwill between branches and head office, as well as the good friend and business adviser of the local managers.

We feel that no budget in the world is any good if the spirit is not in the staff to live up to it and work to it. To maintain the highest possible *esprit de corps*, the most happy and friendly relationships between everybody is one of the real aims of the management of this company, and we certainly find that this condition has helped in no small measure to make our budget a success.

Our sales forecast plan has now been in force for six months, more than six months, in fact, but so far only the first six months is available as a completed period (i.e., February to July, 1933). And, although this period is the most inactive season of our year, the advantages which it has introduced are substantial. Our average stock figure for the six months has been considerably reduced and our rate of stock turn increased.

The advantage will be cumulative as a smaller stock, and quicker rate of stock turn will reduce the losses from bad stocks and so ultimately increase our gross profits. We expect the saving to be even greater in the second half of the year when we do the major part of our year's business.

So effective have we found this budgeting plan to be that we are applying it to our expenses, and although it is too soon to make any detailed statement, the results achieved in a few months are good.

Private & Confidential

FORECAST RESULTS FOR HALF-YEAR to JULY 31, 1933

Branch - - - Group FASHIONS Manager -

These figures are put before you to show the importance of very closely watching the "figure side" of your stock as well as actual merchandise.

Opening stock 2658 Maximum stock 3000 Reductions allowed 250
Desired stock at end 1958 Minimum stock 1850 Final mark up required 29%

		FEBY.	MAR.	APR.	MAY	JUNE	JULY	TOTAL
SALES	Last Year	308	976	761	845	1098	904	4892
	Forecast	350	1000	1100	900	1200	1000	5550
	Actual	509	1149	1001	954			
PURCHASES AT SELLING	Last Year	600	578	1631	789	1090	134	4722
	Forecast	400	1200	1200	600	600	1000	5000
	Actual	644	1442	1224	792			
STOCK	Last Year	2809	2511	3276	3217	2056	2332	2885
	Forecast	2709	2908	3008	2708	2108	1858	2549
	Actual	2793	3076	3280	3097			
Reductions to date		-	10	29	50			
% of accumulated mark up less reductions		33.3	32.8	32.6	32.1			

TIMES TURNED
FOR 1 YEAR
Last Year 1.8
Forecast 2.18
Actual

Please return this sheet to Oxford Street on the 1st of each month so that the current figures may be inserted.

This Report Guides The Branch Manager

Every month each branch manager sends into head office his sales and invoice figures. From these and other data head office makes out this stock control sheet, marks on it appropriate comment and advice and sends it to the branch. Thus, month by month each branch manager can watch his actual progress, and apply his action accordingly.

Why this sudden drop?

Too heavy for business done

Increased sales over budget figure does not justify this increased stock

You must control your purchases

Your purchases for the last two months should be at least 1000 under the forecast figure

You must reduce this stock if you are to achieve the desired rate of stock turn

HOW OTHER EXECUTIVES MANAGE

R. LI. LLOYD
Director : British
Rolling Mills Ltd.

To Keep Balanced Control

"We manufacture steel. In a concern of this kind we have three factors—buying, production and technical control.

"In action these factors do not tend to co-operate, but to oppose one another. Our greatest problem of management, therefore, is to keep these 'warring' factors in such balance that they check one another in the right degree.

"To keep this balance we have frequent meetings, the heads of all departments are present, and we try to avoid formality and red tape. We encourage each department to understand something of every other department. Our great enemy is any executive who tries to make his department a water-tight compartment; it destroys our whole policy of balanced control.



Staff Must Be 'Good Mixers'

"In addition to getting executives to co-operate and work well together we consider it just as important to maintain a

good *esprit de corps* throughout the rank and file.

"For this reason we take great care in selecting our staff. We like to get them as young as possible—consistent with ability, of course, and we pay as much attention to the fact of a man being a 'good mixer' as to his technical or working ability. A good workman of a morose, awkward disposition is of no use to us. A confirmed grumbler can do more to upset the spirit of a shop than anything else.

"If we take on a man who eventually proves by his attitude that our judgment was wrong, we give him a good run and every opportunity to fall in with the spirit of the firm. We are loath to discharge anybody without giving them the fullest chance to embrace our ideas. But those people who, after trial, refuse to adapt themselves in disposition, are got rid of. They constitute a drag on the progressive 'swing' of the concern as a whole."

Selling Through Complaints

"With us, high pressure selling does not have to be considered. We have to consider 'service'. Whilst many of our customers are men highly skilled in the use of steels, we have many who are not so skilled, and out of their lack of knowledge sometimes arise complaints and misunderstandings.

"We have to investigate each such case carefully as, though we say it, the cause of the trouble is rarely the steel. To defend our steels, therefore, and also to get the customer to take a right view of the situation we must see that the matter is handled by our most capable technical men.

"On every complaint we at once hold a *post mortem*. Every detail is recorded. These records, extending over many years, form an invaluable file on facts about steel.

"If the steel is not at fault, then our technical men diplomatically put the complaining customer right, and spare no pains to further assist that customer with all the technical knowledge he can.

"This policy of assisting the user is of far more value to us than any amount of 'stunt' selling.

Salesmen Know New Products

"Another point in the constructive selling of our products is the technical assistance we give the salesman. Whenever anything new is produced by the research department and passed on for production, a special meeting of the sales force is called, and the full aims and technical details of the new product are explained by the chief chemist in conjunction with the sales manager.

"Then we also have frequent 'refresher' sales meetings to make sure that the salesmen are always primed with the latest information.

Have A Periodical APPRAISAL . . . IT PAYS

By E. D. MARTELL

No business or factory property is permanent. From its very beginning it is subject to an intricate series of influences which tend to shorten its life, alter its utility and affect its value. But to know exactly where and how his plant is being affected in this way is the first thing a business man must do before he can use his plant for any length of time to the fullest advantage. A periodical appraisal, as business men are now coming to realize, is the one effective method of taking this step.

What does appraisal do?

It gathers together and translates the numerous unrelated facts as to property into an ordered encyclopædia. It tells you what your property is, where it is, what it is worth, whether it is increasing or decreasing in value, how fast, and why.

How does it help the business man to have all this information? It enables you to:—

1. Form a basis for intelligent and economical insurance placement and for assuring satisfactory settlement of loss
2. Inform shareholders as to the real value, not cost, of their property
3. Have the value of a general work of reference at directors' meetings and personnel conferences
4. Establish book depreciations which will accurately reflect the actual condition of the property
5. Test the accuracy of book records of investment in the property

6. Form a basis for establishing and distributing costs, values and depreciation to departments for cost accounting purposes
7. Form an accurate basis for merger, consolidation, reorganization, purchase or sale of properties.

In insurance matters appraisal is essential if adequate protection is to be obtained against loss by fire or burglary, for two principal reasons:—

1. You cannot effectively insure goods unless you know their value
2. You cannot comply with the conditions of your policy which requires you to give evidence of the existence of the articles for which a claim is made, unless you make provision before the loss occurs.

Whatever knowledge exists as to the contents of a building is possessed by the owners. The insurers do not know whether the declared value is adequate or not. It is assumed that the owners know what they are doing, therefore the onus of proof of any loss rests entirely with them. Acceptance of premiums by the insurer is no admission of value.

Many policies state that the proposal form is the basis of the contract, but such a statement is unnecessary because this is provided by law. Most concerns do not keep copies of the proposal forms they have signed, and yet many such forms con-

tain a definite declaration that the amount of the insurance is not less than the value of the articles insured; in other words, that the premium is paid on the full value of the contents. A wrong declaration vitiates the policy. Further, insurance law provides that any material fact affecting the risk, of which the insured has knowledge, must be disclosed to the insurer. Failure to do this also vitiates the policy.

It is, therefore, obvious that a valuation prepared for insurance purposes should be one which any insurance office will accept.

The following points affecting insurance law and practice are worth attention and should be in the minds of all business managers:—

1. Ignorance of the law is no defence
2. The insured is assumed to know what he is doing
3. The proposal form signed by the insured is the basis of the contract
4. Any wrong declaration in the proposal form, whether made innocently or not, vitiates the policy
5. The withholding of any material fact of which the insured has knowledge, affecting the risk run by the insurer, vitiates the policy
6. The insured cannot recover more than the intrinsic value of any article lost unless otherwise provided for in the policy. (Intrinsic

value or market value does not always protect the insured. The actual value of a building might only be £5,000, yet it might cost £10,000 to replace. Insurable interest and intrinsic value are not necessarily the same thing)

7. Insurance of specific items at certain sums is not evidence of value. Value has to be substantiated in every case at the time of loss
8. The usual option reserved in an insurance policy that the insurers may replace or repair carries no obligation on them to do so. It gives no rights to the insured
9. Assessors are appointed by the insurance offices in case of loss; they are not arbitrators, nor impartial
10. Most insurance policies contain an arbitration clause so that insurance cases do not come before the Courts
11. *The onus of proof of loss rests on the insured.* Acceptance of premiums is no evidence of value.

It is at once obvious that every one of these points is adequately dealt with by periodical and expert appraisal. But in addition to its value in this direction, appraisal is undoubtedly a basis for, and a necessary adjunct to, efficient property accounting. It is a foundation for the

(Continued on page 37)

THE BROADER VIEW



By ROBERT R. UPDEGRAFF

Executive • Ingenuity

The maker of a standard grocery product called his works manager and his research chemist into his office one morning recently.

"I wish you would start this morning," he said, "on the assumption that you are in competition with me. You are going after my market. To get it you will have to have a better product. Develop that better product, between you, within the next four or five months, and bring it to me. If you can do it, there is a rise in salary for both of you. But don't bother me with a product that's just as good as our present product; it must be much better."

The five months are not up yet, but I understand that the two men already think they are on the trail of an improved product.

Yet if they had merely received orders to improve the product as they had made it for so many years, they would probably have declared it impossible. It takes all sorts of executive ingenuity to make progress!

"Up With the Hour"

In Emerson's Journal is a paragraph that every man in business should know by heart: "One of the cardinal virtues is timeliness. My neighbour, the coachbuilder, all the summer is making sleighs, and all the winter is making light, gay gigs and chariots for June and August; and so, on the first days of the new season, is ready with his carriage, which is itself an invitation. . . . In all one's affairs the sense of being ready and up with the hour imparts to a man's countenance and demeanour a wonderful air of leisure and success."

The responsible executive, even more than the coachbuilder of Emerson's day, must make his plans far ahead of their actual execution—must be prepared for the new season so that his organization is ready to go ahead when the proper time comes.

English Comedians •

Writing from across the sea, Thomas Dreier, the Sunny Meadows

philosopher, observes: "The reason why many of our most successful American comedians fail in London is because too often they depend for their success upon scenery, mechanical devices, choruses, musical effects, and other tricks. The old music hall comedian had to win his applause, often from a noisy, inattentive, rough audience, by his own personality and wit. The comedian who needed things outside himself was looked down upon by his associates and the audience. The English tradition is that a real comedian needs nothing more than a bare stage."

True; and true in business, also. Years ago a young man of my acquaintance applied for a job. "We can't afford to furnish an office for you," said the head of the business. "That's all right," said the applicant. "A kitchen table and a cheap chair will do me; I'll earn my own office furniture if I'm worth keeping."

Two years later that young man held the highest position in the business. He had earned himself an office and a private secretary and a reputation—and a substantial interest in the company.

Ben Franklin and His Efficiency Blessing

It is related that when Ben Franklin was a small boy he used to wriggle impatiently in the mornings during the long blessing his father always said over the family breakfast.

It wasn't the spirit of the blessing that the hungry youngster objected to, but devoting so much time to saying the same blessing over the same breakfast dish—herring from the big barrel in the store-room.

Finally, tradition records, one day little Ben suggested to his father that it would be a good idea to say the blessing in the autumn over the whole barrel of herring and make the one blessing do for the winter.

Franklin's suggestion was no more naïve than the idea sometimes encountered in modern business: that the work of a factory, or of a department, can be organized scientifically once and for all time, and that it can then be left to function by itself. Unfortunately, such a procedure does not work, either with machines or human beings. We must continually be alert to adapt ourselves and our businesses to changing conditions, for only in this way can true efficiency be attained.

A Management Tip

"In dealing with my men," says a well-known executive, "I always try to find some one good quality or performance that I can refer to as a standard. Then I can say: 'John, I want you to do this as well as you did that Walters job.'" John understands and, feeling a flush of pride over the impression his Walters job made, he resolves to better even that.

The TREND of Trade

When the popular newspapers and the public are all shouting the tidings of better business—it is the time for the practical business man to examine the situation with more vigilance than ever.

A year ago we were saying in these pages that an improvement was taking place and that this improvement would accelerate and become more marked by the end of 1933. We held this view because certain definite adjustments had been made which would lead to better business, and certain trade figures showed that an improvement was starting. At that time the newspapers and the public were still bemoaning the depression. Now the latter can see nothing but an indefinite continuance of the upward swing because they only look 24 hours ahead.

But we practical business men, who must look a year and five years ahead, should ask ourselves this question: What will be the next development or change or aid that will keep British business moving ahead?

How The Upturn Began

British trade in the last two years has shown a steady improvement, a greater degree of betterment than any other country in the world. This has been due to certain definite factors. Each of these factors at the period when it became effective helped to give the upturn a further impetus.

First, our national finances were put on a sound and stable basis and a confidence-inspiring administration and governmental policy came into operation. Then the re-valuation of the pound at a fair international level began to show its results, especially in stimulating our exports. Then the tariffs stimulated internal trade and expansion of our producing capacity. Following this came the Ottawa Agreements, which still further helped our exports, made our best customers more prosperous, and helped generally by extending the area of better business. Then definite trade agreements with other countries gave us additional trade, again extending the sterling area. And finally, these last two years did doubtless mark the natural lowest point of the world depression, and we have extracted the most benefit from whatever upward swing has taken place.



CAN WE CONTINUE THIS TRADE RISE? YES IF WE...

But now what will be the next factor to help continue our upturn? For we must realize that in this slump the old-time and always-depended-on "swing of the pendulum" and "trade cycle" are not acting. The world has been too upset, its intricate machinery too thoroughly disturbed, to allow recovery to occur in that easy and formerly natural way.

What Will Maintain the Upturn?

There must be certain specific aids and measures, and these must be taken in the definite interests of better business—and not in the interests of reform or politics or special interest.

This is what the superficial public never realize. And also that there are certain retarding factors working now which will pull the trade situation down unless effective efforts are constantly made to combat them.

This is the crux of the situation: Trade IS on the rise, but this upswing is no mere automatic rebound after the recent slump. Progress will not continue, unaided, as a natural phenomenon. THE PACE MUST BE PLANNED AND FORCED—by business men who must work for these three things:—

- 1. Expansion of the sterling areas by trade agreements with more countries.**
- 2. Intensification of Inter-Empire trading.**
- 3. Increase home production AND consumption.**

The retarding factors are: no improvement in the European political situation; an actual increase in the restrictions to international trade by certain countries still outside the sterling area; a continuing fear of America's instability and uncertainty; no sign of settlement of the great international trade problems—international debts, currency stabilization, import restrictions—which are not only holding back international trade but preventing that confidence which must be a prelude to international trade improvement.

The favourable factors are still operating: British trade figures maintain their upward swing; more countries are coming within the sterling area; trade agreements with other countries are showing results; commodity prices continue their rising tendency without increasing the cost of living.

Improvements We Can't Hope For

While these are enough to give us good business in Great Britain for the rest of this season, they are not enough to ensure that the up-swing will continue next winter and the following year. We need some new positive factors.

What may these be? Are there any in sight? Will they come into operation during the coming year? We believe there are such factors.

Stability in the U.S.A. and a certainty that a permanent improvement was on its way there would be an ample factor. But we do not think that such a factor can be depended upon: we cannot see the American situation working itself out to this point within the current year.

A definite swing away from nationalist policy by the leading trading countries, away from import quotas and restrictions and economic reprisals, to a sane and equitable basis of international trade—this would also be a sufficient impetus. But inasmuch as the last few months have seen an increase of these on the part of most nationalist countries rather than a diminution, we cannot see this as a favourable factor for 1934. France, Germany, Italy, Spain, Russia, Japan, U.S.A.—none of these countries can we see easing their import restrictions and obstacles sufficiently to have any marked favourable effect during the coming year.

Trade Agreements Are Favourable

The extension of the sterling area by trade agreements with more countries and by the broadening of our trade agreements with presently included countries, should, we believe, be a strong factor in maintaining our trade during the coming year. Straws show the way the wind is blowing. The Argentine has just tied her currency to the pound sterling rather than to the

dollar. France and Spain have both come to minor terms with us, which will advantage our exports. New trade agreements are being negotiated with Esthonia, Latvia, and even Russia.

Empire Development Another Essential

A second favourable factor will be a more intensive development of Empire trade, they to take more of our manufactures and we to take more of

their raw materials. It is often overlooked that this improvement does not come only through direct exchange between the British Isles and one of the Dominions or Colonies; it comes through a general increase in trade between all parts of the Empire.

An intelligent and efficient development of our home market is a third factor. It is no good to put on a tariff and replace the imported article by one of home manufacture which costs the same as two imported ones. But if internal production is as efficient as foreign production; if the quantity of goods internally consumed is increased and supplied by home production; and if this increase in the consumption of raw materials which must be purchased mostly from abroad is followed, as we cited last month, by a compensating increase in our exports, then the development of the home market is all to the good.

Study These 3 Vital Factors

These three factors—expansion in the sterling area countries; an intensification of Empire trading; an increase in home production and consumption—are the active factors which we believe will make the definite continuance of our upturn in trade possible. But all three factors depend upon the efforts of the business man in three directions. He must operate his own business along efficient lines in order to develop the home market; he must push trade negotiations and government department to action along the lines of trade agreements and trade stimulation; he must do his part even at a slight inconvenience and expense to himself to get orders from abroad and so pay for our increased raw material imports.

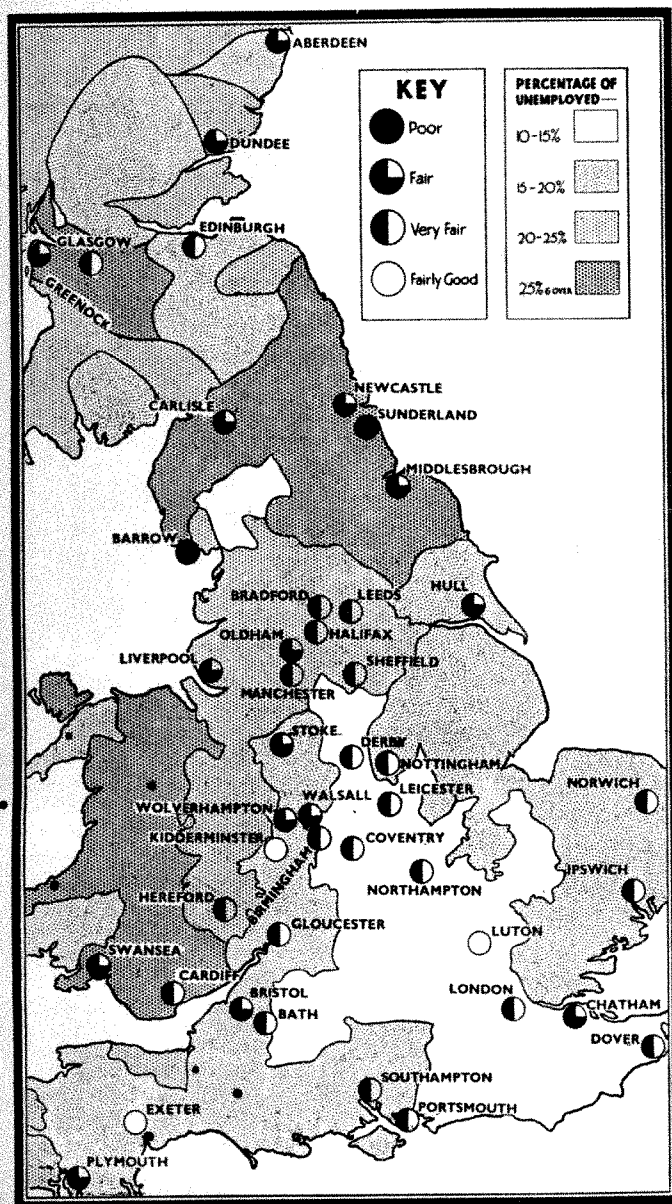
We are convinced that the continuance of our trade improvement during 1934 depends upon the efforts of business men themselves in these directions.

Staple Trades' Good Showing

The latest trade figures continue to improve, in the old staple industries especially. Improved output in November has been maintained in every principal coal-bearing area except S. Wales; and, significantly, this is the area which trades least with the countries with which we have most trade agreements and is most dependent on those countries which are putting restrictive obstacles in our way.

Pig iron production in December at 409,300 tons was 10% up on November, 40% up on a year ago. Steel output was up on November on a daily average, and 55% up on a year ago. In both cases the 1933 output is the highest since the slump. The rate of increase in steel output has slowed down the last four months, but should increase again owing to: new blast furnaces opening; the plans for the reorganization of the entire industry proceeding, even though slowly; an agreement with the Continental Steel Cartel, whereby Continental price-cutting is

HERE IS THE SITUATION THIS MONTH



London District: The New Year opened well, and appearances suggest that trading conditions will continue to improve. Less than 10% of the insured persons in Greater London are unemployed, and this figure is likely to be reduced still further in the next few months. Activity in almost every branch of industry is very marked. The city shows a hesitancy and uncertainty about finance, due to the presidential activities in the United States.

E. & S. E. Districts There is little change to report in these areas. Unemployment in agricultural districts is still too high, though in the last month it has not become worse. The various isolated industrial centres show some improvement in trade, which is very encouraging. This does not alter the fact that the agricultural situation deserves serious attention.

Midlands: Trade is generally good in this region. The motor trade has recently experienced a period of great prosperity, and with it ancillary trades, such as the manufacture of machine tools, have shown a welcome increase in activity. The hardware trade at Birmingham has been quiet for some time, but now it is experiencing a return of prosperity.

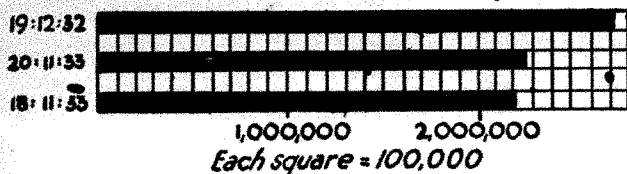
W. & S. W. Districts: The deliveries of coal have been good, and the steel industry is moderately active. It is not working to full capacity, and is hampered by foreign competitors. Potentially, it can supply about three-quarters of the world requirements, but at present it supplies nothing like that proportion. Unemployment has decreased since last month.

N. E. Districts: Trade is brisk in the West Riding. Wool manufacturers are busy with orders for spring goods, and in some cases are pressed for delivery. Increased activity both in the coal and iron and steel trades is reported, especially from the Sheffield district. On Tees-side, a good deal of shiprepairing is in progress. The new plant of the Imperial Chemical Industries will provide employment shortly.

N. W. Districts: The Indo-Japanese agreement has given satisfaction to cotton traders. They have some market assured, and can reorganize and look round now to attack foreign competitors. There is quiet but steady activity in engineering.

UNEMPLOYMENT—DOWN

Number of Insured Persons Unemployed



—DESIGNERS AND PRINTERS OF SALES CREATING LITERATURE—

DIRECTORS S. H. BELL L. TRUSCOTT H. L. LOCK

DRYDENS

LIMITED

Handel Street

London

W.C.1

DUAL-USE
PATENT
No. 218083

TELEPHONE
TERMINUS 5111
TWO LINES

THIS IS A "DUAL-USE" PATENT LETTER FORM

Dear Sir/s,

You are surely seeking new ideas for sales development. May we invite your consideration to the "DUAL-USE" Patent Letter Form? Carefully planned to meet your individual requirements, it will bring you a quick and profitable return.

There is no speculation as to the efficiency of this publicity. "DUAL-USE" will intensify the power of existing resources and quickly secure business from prospects hitherto unresponsive to your offers.

Preparation needs no specialist, mailing entails but the work of a junior, and postage costs are no greater than that of a printed circular letter.

Take a glance through the features alongside, visualize your own selling plan in this compact form—why not get this Salesman working for you immediately? If you are in doubt as to the manner in which "DUAL-USE" can be profitably applied to your organization we shall appreciate an opportunity of discussing the matter with you.

The convenient detachable Reply Form opposite will ensure your enquiry receiving immediate attention.

Yours faithfully,

DRYDENS LIMITED.

Stanley H. Bell

Managing Director.

(Please see overleaf)

Use ★

Forceful publicity could be your business. The outside planned, accommodating your product. Less need arriving ahead of any must be read ★ no waiting fluence immediate action.

Sales Plan ★ a penetrating force be overlooked. It will work per despatched carrying perpetual vigour to support your activities ★ means of opening up fruitful fields roved unproductive to your efforts.

ules with greater economy unnecessary ★ laborious planned, prepared, printed Incredible speed at much ete direct mail publicity.

More

DUAL-USE PROVIDES YOU WITH LETTER HEADING — CIRCULAR LETTER — ADVERTISING LITERATURE — REPLY FORM — ALL IN ONE PIECE NOTHING CAN BE OMITTED OR LOST

THIS IS ALL IT WILL COST YOU

STANDARD PRICES

Dual-Use Patent No. 218083

(PRICES per 1,000)

Quantity	A.1 FORM (without top perforated flap)				A.2 FORM (with top perforated flap)			
	One Colour		Two Colours		One Colour		Two Colours	
	£	s. d.	£	s. d.	£	s. d.	£	s. d.
1,000	...	...	3 18 3	4 19 0	...	...	4 6 3	5 6 0
3,000	...	...	2 3 6	2 14 9	...	...	2 7 6	2 18 9
5,000	...	...	1 14 0	2 2 6	...	...	1 16 9	2 6 3
10,000	...	...	1 6 9	1 12 3	...	...	1 9 3	1 18 9
20,000	...	...	1 3 9	1 9 0	...	...	1 5 6	1 13 3
25,000	...	...	1 2 6	1 6 3	...	...	1 4 6	1 12 0
50,000	...	...	1 0 9	1 3 3	...	...	1 2 6	1 8 0

(Prices for additional quantities on application)

IMPORTANT

The above prices are based upon Letterpress printing throughout in any Colour. If special paper is desired, Headings Die Stamped, Lithographed or printed by any other process, alternative quotations will gladly be given.

Sketches and blocks unless supplied by client charged for extra.

Proofs in colour (when required) charged for extra.

TERMS.—Payment against **pro forma** invoice, which is sent together with two copies of the complete production, when goods are ready for despatch.

Dual-Use Patent Forms are only supplied printed complete. If a printed sales letter is not required, the space is left blank, enabling you to use them with your typewriter or duplicating machine, etc. No extra charge is made for printing circular letter in imitation typewriter provided it is printed in one of the colours embodied in the form.

We pay Carriage only on Orders for 5,000 or over.

COPYWRITING SERVICE (Optional)

Coloured layouts prepared complete, viz., illustrated example for outside flap in colours, requisite copy and sales letter.

Fee ... £3 3 0

LAYOUT.—Illustrated example for outside flap and skeleton layout in colours (no copy or sales letter).

Fee ... £1 10 0

eliminated and allowing a certain preference for British steel within the Empire.

Shipbuilding is better. Tonnage under construction is 50% up on a year ago, and represents nearly half the total world tonnage under construction. Contracts recently placed indicate still further improvement.

Engineering generally is expanding output and increasing employment. In Sheffield, Birmingham and Glasgow, heavy engineering continues to improve. The motor industry is flourishing; output and absorption of cars is still increasing. All this stimulates secondary engineering trades.

Building, while seasonally down, promises increased activity; new building plans passed in the last quarter were 10% above a year ago.

Even cotton is better; encouraged by the India-Japan cotton agreement which allows Japan a maximum import 30% below last year's figures. This 178,000,000 yard reduction should in part be transferred to our imports. Will steps now be taken to give us a similar advantage in other parts of the Empire? And will internal re-organization of the cotton industry get its production costs down to where we can compete on price with other Western nations—even though not with Japan?

The figure for mill consumption of cotton in 1933 shows an increase of 175.2 million lbs. over that of 1931, while in December there were nearly 4,000 fewer persons unemployed in this trade than in November.

Some rayon producers expect increased consumption and are expanding output. Some price reductions have been made—which is to the good as it should increase demand and employment. Export trade is expanding with those countries where we have trade agreements, and should expand in other directions as and if import restrictions ease.

The woollen trade is better than was anticipated. Yorkshire mills have been fully employed; prospects for Spring are good. Wholesale clothing in Leeds and neighbourhood is busy, and not merely seasonally so.

Other Good Internal Pointers

Other internal pointers are also favourable. Unemployment down by 60,000 on last month, 500,000 on a year ago, and 567,000 more are in employment. Every principal industry shares in this huge drop in unemployment:—

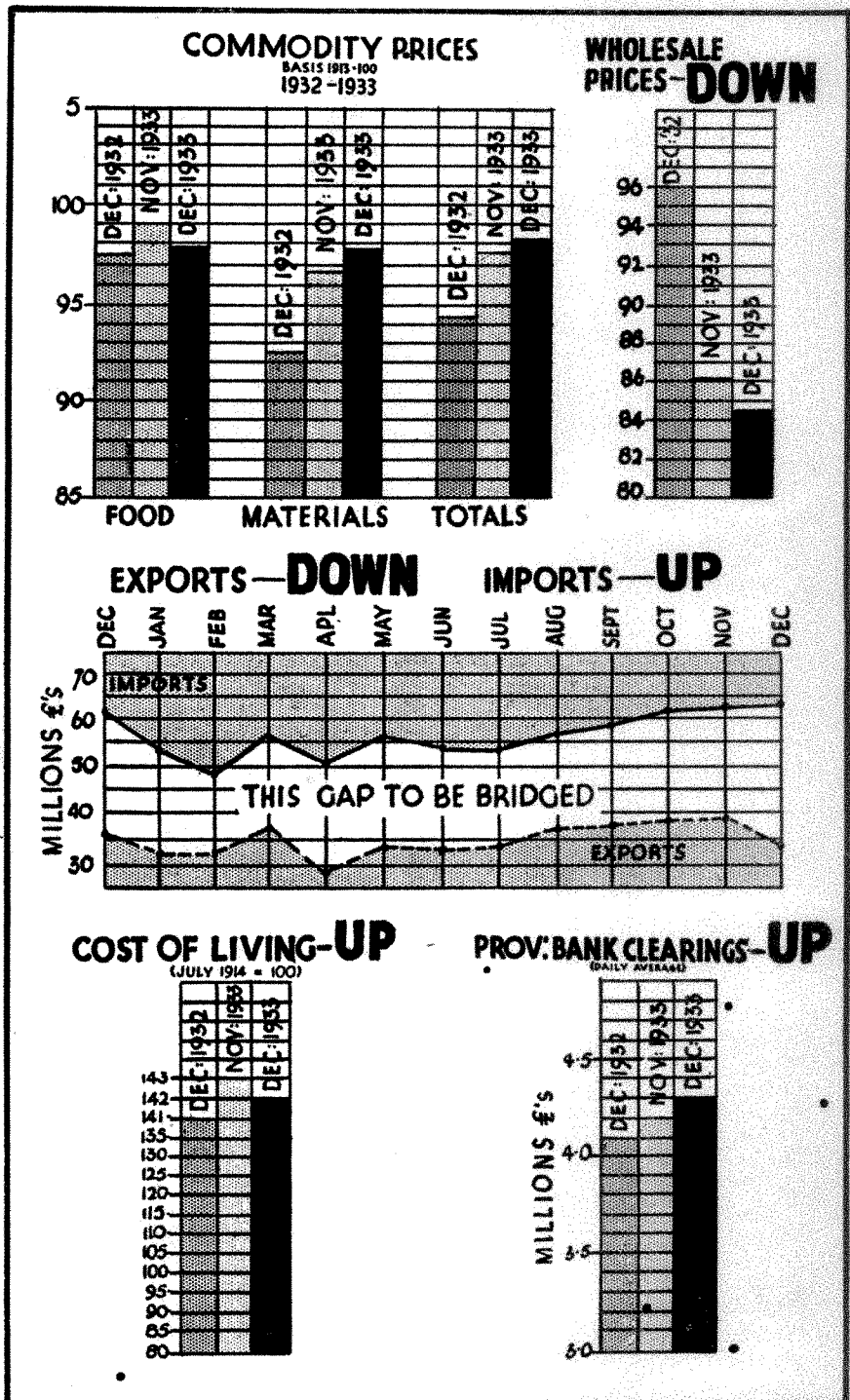
General engineering	...	—	55,148
Building	...	—	45,103
Coal-mining	...	—	40,674
Metal goods	...	—	36,118
Iron and steel	...	—	30,937
Woollen and worsted	...	—	23,098
Cotton	...	—	22,271
Shipbuilding and repairing	...	—	20,580
Distributive	...	—	20,223
Motors, cycles, aircraft	...	—	16,523

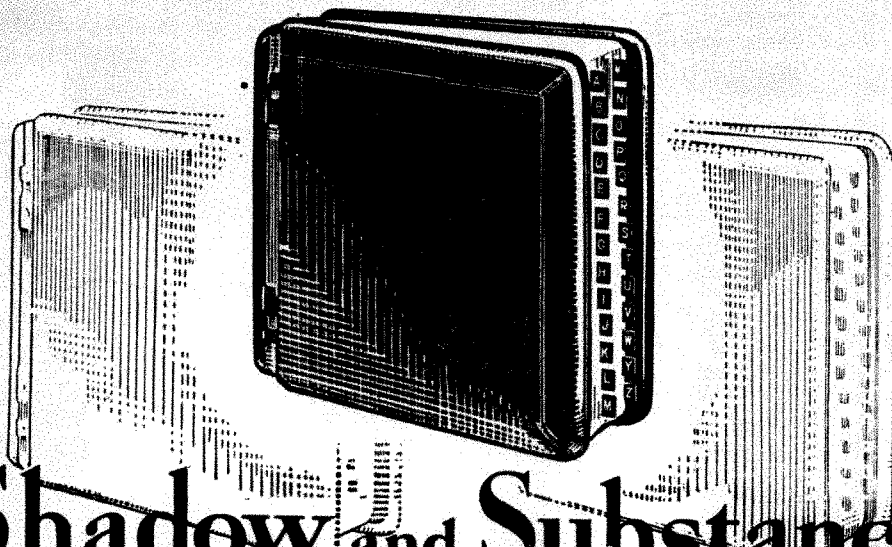
Retail sales figures, steadily improving over six months, are up 2.8% over a year

ago, a rise of 3% in employment and a small decrease in stocks—all pointing to a definite increase of turnover.

Provincial bank clearings are up on last month and last year, and in the opening weeks of 1934 again show increases of 8% over last year. The figures for the whole

year 1933 make a gratifying showing: .07% increase for the whole country (the first increase in 4 years); .4% decline in the City, a purely financial and stock [Britain's export position, also Colonial and European prospects are continued on page 39.—ED.]





Shadow and Substance

Accountants.
Advertising Agents.
Athletic Clubs.
Auctioneers, etc.
Bakers.
Billposting Agents.
Boot and Shoe Trade.
Brewers.
Building Contractors (Builders and Decorators).
Builders' Merchants.
Building Societies.
Coal Trade.
Co-operative Societies.
Cotton Brokers and Merchants.
Cotton Dyers and Finishers.
Cotton Goods Manufacturers.
Cotton Manufacturers.
Cotton Spinners.
Cotton Yarn Agents, etc.
Credit Traders.
Dairymen.
Dentists.
Doctors.
Electrical Trade.
Electricity Undertakings.
Engineers (General).
Friendly Societies.

"Kalamazoo will hitch its wagon to a star! It will make loose-leaf equipment—nothing else; and it will make it as near to perfection as British design and workmanship can come."

This, its resolve of 28 years ago and its resolve to-day, has established Kalamazoo as the standard by which loose-leaf quality is measured the world over.

Specialists, therefore pioneers: In blazing the trail—searching, experimenting, testing—Kalamazoo have so far spent a great many

thousands of pounds. (The Kalamazoo Paper-testing Laboratory is the finest in the country).

Following on the trail is Imitation—the *Shadow*. He doesn't hurt Kalamazoo, but he does hurt those who buy his lower-priced wares to find them a daily and increasing irritation, dear indeed in the end.

For durability—reliability—satisfaction; for the pleasure of using a good thing; for definite economy in the long run—Kalamazoo, the *Substance*.

Gas Undertakings.
Golf Clubs.
Haulage and Transport Contractors.
Hotel Proprietors.
House Furnishers.
Insurance Brokers.
Jewellers.
Laundries.
Millers, Corn, etc., Merchants.
Motor Coach Proprietors.
Motor Trade.
Public Authorities (Rates Dept.).
Quarry Owners.
Schools and Colleges.
Solicitors.
Stock Brokers.
Stock Jobbers.
Timber Merchants.
Turf Accountants.
Undertakers.
Veterinary Surgeons.
Water Undertakings.
Wine and Spirit Merchants.
Woollen Trade.
General Purposes (showing 128 rulings for Ledgers, Cash Book, Journal, etc., in general use).

Two substantial Economies!

1. **THE NEW BINDER.** The binder *Modern Business wants*—incredibly low price and practically indestructible—has been produced by abandoning the book-binder's conventional design for that of the engineer and employing a wonderful new alloy, strong as steel, yet one-third lighter than aluminium.

2. **THE NEW STOCK SHEETS.** Over 1,000 "special" rulings have been transferred to the stock sheet list with consequent lower prices and despatch in three days. These rulings cover all general accounting purposes and hundreds of special purposes in 50 trades and professions (see lists down sides).

Why not enquire about these two economies?

Kalamazoo Ltd

(Proprietors Morland & Impey, Ltd.)

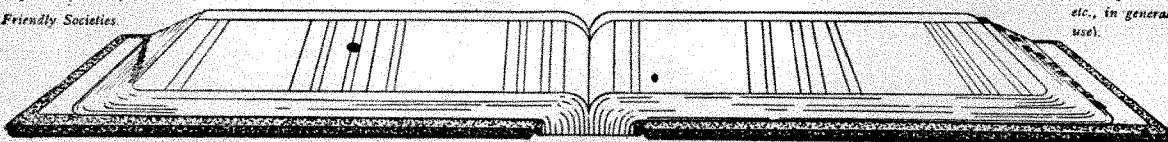
Head Office and Factory:

NORTHFIELD, BIRMINGHAM.

London Offices: 40, GROSVENOR PLACE, S.W. 1.

Branches in all leading Provincial Cities.

GOVERNMENT



MARKETING — ADVERTISING — SELLING

★ **BACK THE DEALER, ALL ALONG THE LINE.** That is one of the outstanding points in this great sales drive for 1934. It is, indeed, one of the main reasons why Hercules Cycles are sold in such vast numbers all over the world, and why the company can beat its own sales records year after year

By
G. A. HOFFMANN
Publicity Manager
The Hercules Cycle & Motor Co. Ltd.

1933 — 400,000 Cycles 1934 — HALF A MILLION.

We have set ourselves a really big job for 1934. We plan to sell 500,000 cycles before December, 31st.

Last year we sold 400,000 bicycles, in itself quite an achievement when the boom in cheap motoring is borne in mind. Before we decided on our 1934 programme, we had to examine carefully the means by which our former record was made, and to find out in what way we could raise it by another 100,000.

During the four years prior to 1933 much spadework had been done by this firm in the advertising field and in the matter of extending the season during which dealers will show bicycles. Formerly, dealers only showed bicycles between Easter and August, and consequently their sales took place only between those dates. After a good deal of persuasion, we convinced them that they could sell bicycles outside those limiting dates, if only they would display them. On our side we promised to back them with national advertising. This policy has been wholly successful, and a recent comparison of the sales figures of Hercules cycles for the first half of the year and the second shows that there is a slight excess of sales in the second half, the proportions being about 55% to 45%, an increase due solely to the pressure of our sales policy.

This Exhibition was a Bold Step— It Paid

Our national advertising secured the complete trust and co-operation of the dealers, and when 1933 came we were ready to launch a bigger sales attack than ever before. Briefly, we did this by producing, for the first time in the history of cycle manufacturing, a four-colour catalogue and distributing it wholesale to our dealers. By its very nature this catalogue was an object of interest to everyone, and our dealers

distributed it in their turn to large numbers of their customers and prospective customers.

During this year also, for various reasons, it was not possible for the Hercules Company to exhibit at the Motorcycle and Cycle Show at Olympia, so steps were taken to make this a special advertising point, rather than to regard it as a loss. Across the road outside the exhibition we had a streamer announcing that there was a special Hercules cycle show at a famous hotel, and that dealers would be admitted free. Outside the main entrance to the exhibition two huge hoardings, one of them the longest in the world, stretching from Olympia to Kensington High Street, bore the same inscription. Thus, no dealer going to the exhibition could possibly overlook the existence of Hercules cycles. It was not enough, though, to impress the name Hercules on the dealers only, the general public had to be impressed as well, for they are the ultimate purchasers of cycles. Accordingly, during the week of the exhibition, there was a strip advertisement on the omnibuses of every route which passed Olympia. It is safe to say that during that week no one with his eyes more than half-open could escape reading something somewhere about Hercules cycles.

The private exhibition was a great success. Ten thousand dealers were personally invited to visit it, and have either lunch or dinner, or both, in the



hotel at the expense of the firm. They came in large numbers, and were convinced of the firm's sincerity by the remarkable lengths to which we were prepared to go to gain their confidence and co-operation in the selling of Hercules cycles. During this week also a reception was held at another hotel frequented by the wealthy and the famous, in which a parade showing cycling fashions since the inception of cycling was the star turn.

The Plan Gave Us Many New Dealers

In addition, there was a week of intensive national advertising. Naturally, the expense of all this was high—in the neighbourhood of ten thousand pounds—but it was worth while, for many cycle dealers who had not previously stocked Hercules cycles, impressed by the display and the keenness of the firm to get sales, and the generous backing which we gave to the individual effort of any dealer, became our agents, with the result that the increase in sales up to the end of the year fully justified the expenditure made during the show week.

Another point in our advertising directed towards the dealers was to keep constantly before them the fact that we were doing our part in helping them and that they must do their part also, being, as they were, in direct touch with the public.

In May of last year, for instance, when delay in deliveries was being caused through the rush of orders to the works, we gave the whole of the front page of one of the great dailies to an apology, explaining how the delay in deliveries arose and emphasizing the fact that it was not the dealers' fault. This we reprinted and made into an attractive broadsheet, which we sent to

★ This firm could not enter the Olympia Cycle Exhibition, so it spent £10,000 and ran simultaneously a show of its own. The £10,000 more than came back in orders

★ The firm's standard catalogue was converted into a news and propaganda magazine at a cost of £30,000. 1934 will see most of this cost returned in the form of new business

every dealer, and handed him "the largest bouquet of all" for the phenomenal increase in sales.

Another broadsheet was subsequently issued, bearing an enlargement of the same sales message. The object again was to point out that our national advertising would link up with the dealers' displays, and that owing to increased plant, the delays caused by the rush of orders in the early part of the season would not occur, and that Hercules cycles were the only ones in which there was no danger of substitution.

We give as much attention to our sales messages to dealers as we give to

our sales messages to the public, for the dealer is essential to the well-being of our concern; he is the liaison between the manufacturer and the ultimate user.

All this organization was available as a basis for our 1934 plans. There were, however, other factors to consider. The public was more bicycle-conscious than ever; the huge number of bicycles on the road could not be explained merely as the result of one of those whims which pop up from time to time; the membership of cycling clubs had increased remarkably; the newspapers had ceased to speak of the boom in the cycle trade, for it was too consistent. There was no doubt that the cycle trade

was definitely on the map once more, but how could we ensure that it would stay there?

We decided that the popularity of cycling was due to a change in the public attitude towards motor-cars. When a revolutionary innovation such as the motor-car is put before the public, several years must elapse before the public is able to look at it in its proper proportion. This has now become possible with the advent of the cheap motor-car. The public, especially the younger members of it, were regarding cycling from the point of view that it was a health-giving exercise, and an excellent way of seeing the country.

This attitude of mind in the public had to be carefully fostered, and the realization of its importance brought home to the dealers at the same time.

Accordingly, when we were producing our 1934 catalogue, we decided to make a change which would increase its appeal both to the cyclist and the dealer.

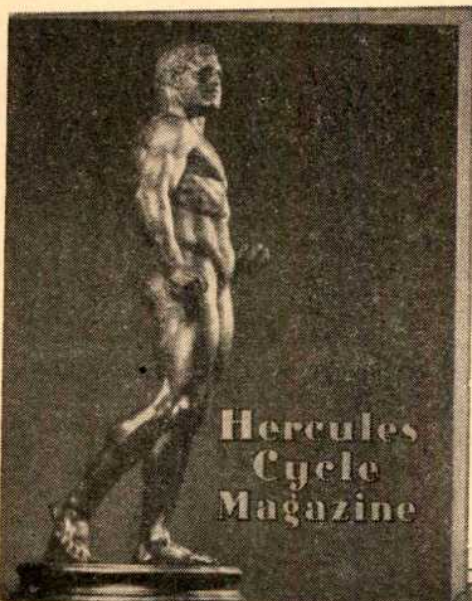
To Stimulate Both Dealers' and Users' Interests

Its title was changed from that of a catalogue to "The Hercules Cycle Magazine", and in every way it was given the nature of a service magazine. The pictures of the range of models were given against attractive landscape backgrounds, drawn by famous commercial artists. These were, as in 1933, beautifully printed in four colours. There were included articles of interest to cyclists. One was addressed particularly to women; another was of general interest, being written about film-stars and cycles; a third pointed out the significance of the fact that three million bicycles had been manufactured by the firm in connection with trade and employment in other industries. To appeal to the cycling clubs there was a biographical article on a prominent young cyclist whom this firm has induced to turn professional, and to give his whole time to breaking records on a Hercules.

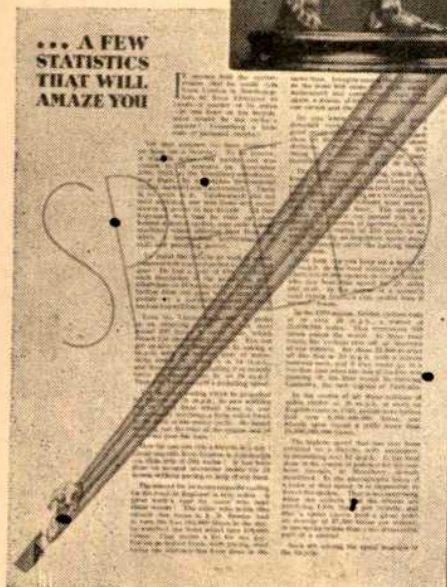
Before this article is published, the catalogue will have been dispatched to the dealers and distributed to their customers. Our national advertising will have also started once again, to keep on until the end of the year.

Schedules have been worked out for our representatives, so that we can be sure that every dealer has an adequate amount of attention given to his needs. The journeys of the representatives are made as short as possible, covering as small a territory as possible, for we do not want them to waste time in transit from one place to another. They are instructed to keep to their schedule, even though they can see some other place off the schedule whence orders may come, for that other place will doubtless be provided for in another journey. The whole of the country has been carefully scrutinized so that no possible outlet has been overlooked.

THE £30,000 MAGAZINE



The two pages below, selected at random, indicate how the magazine, though packed with text of a reader interest, still serves the purpose of a catalogue in that it 'puts over', in the most attractive way, the firm's various models



IDEAS THAT HAVE SOLD

HELPS THE CATALOGUE USER

Occasionally the business man can learn from the academician. When the universities send out copies of their regulations to inquirers, they mark the relevant page in blue pencil. Why should not the page of your catalogue which will be of most interest to a prospect be marked, either with a bookmark or in pencil? The bookmark itself may be an added advertisement.

FAULTS WHICH IMPROVE THE PRODUCT

A sales manager controlling a large number of salesmen has supplied them with "why not" forms. When the salesman fails to make a sale, he fills in on one of these forms brief particulars of the reason, and adds his own comment. This has already been instrumental in the detecting and remedying of one serious defect in the firm's "pet" product.

SIGN LINKS DEALER WITH PRESS

A new form of sign which has just been introduced enables the dealer to back up advertising campaigns with a large reproduction in his window of the Press advertisements.

The usual printer's proof is treated with a certain substance, placed on the sign, and an exact reproduction many times larger than the advertisement inserted is thrown on to a blank card. All shades of colour can be reproduced.

MAKES SHOE FITTING STILL EASIER

A well-known firm of shoe retailers are advertising a very interesting foot-fitting device. To fit perfectly the foot of the child who is difficult to

measure with the size stick and is yet nervous of the X-ray machine, they have devised a transparent slipper moulded on the actual lasts of the shoes and through which it is possible to see the foot as it appears actually inside the shoe.

DO YOUR CUSTOMERS LIKE YOUR ASSISTANTS?

An experiment was tried recently in a large retail clothing shop. For one week the purchasers of suits were given a card by the salesmen. This card told the customer that the management would be obliged if he would write briefly whether or not he liked the salesman who served him, and why. A surprisingly large number of replies were received. Politeness and courtesy were commented on in every case.

In the words of the manager, this experiment brought the salesmen into closer co-operation with the management, and keyed them up to their jobs. It further helped to convince customers that the firm really did wish for their comments on its conduct, and consequently it improved business.

BUILDS UP GOODWILL

To help customers in their choice of purchases, a firm of high-grade furniture manufacturers uses a series of small model rooms. The interior walls of these rooms are painted in primary colours. Little blocks of wood, coloured

to represent various finishes and colour schemes, are then used to place in the model rooms as furniture. Customers can then be shown how furniture which they have selected in the showrooms will harmonize (or not) when actually placed in position in the rooms. This plan has enabled many hasty judgments to be corrected, thus increasing customers' goodwill.

EXTRA SERVICES GET BUSINESS

Free air, free petrol-lighter filling, free ink for fountain-pens, free knife-sharpening, have proved to be good business-getters. Single acts of service and courtesy such as these are of the greatest importance in retail trading.

NEW LAMPS LOOK LIKE NEON

A one-piece lamp which is claimed to have the appearance of neon has been produced by a well-known electrical firm.

This lamp, which works at ordinary voltages and with ordinary wiring, is tubular and measures about 15½ inches long by 1½ inches diameter. A maximum of ten bold letters can be displayed by one lamp, it is stated. The message is inserted in the bulb and when on circuit the word glows as if outlined in neon. Besides lettering, special symbols can also be inserted in the bulb.

One Campaign Sells Two Products

Within the last few months the British public has become familiar with a very tasty dish, one which, though for a long time popular in several countries abroad, is entirely new to this country. I refer to waffles.

Waffles, of course, have to be prepared from special ingredients and cooked in a special utensil. Both these items were strange to the public here; both, therefore, had to be sold.

As long as three years ago W. T. Henley's Telegraph Works Co., Ltd., perfected an electrical appliance for cooking Waffles. But at this point they considered it inadvisable to market it, for two reasons:—

(1) The electrical trade was suspicious about waffling machines. Retailers had found difficulty in selling articles with a foreign association which had previously been marketed without advertising.

(2) Henley's believed that as the market for the waffler was limited it would be wise to wait until the Grid had been completed and electricity was really widely distributed at a low price per unit.

The three years previous to the placing of the waffler on the market, however, were not wasted. This time was

An Electrical firm made waffle irons, but the British public were not waffle-eaters. This plan sold the Irons for the Electrical firm AND a waffle mixture for a Foodstuffs firm.

spent in obtaining facts to substantiate Henley's belief that there was a market, provided the product was mechanically perfect and was produced at a price to fit the average pocket. Not only were data obtained concerning the number of homes electrically equipped, but the distribution of these homes in relation to income ratios was also discovered.

But the fact that there was a sufficiently large public as potential buyers was not enough. The public's taste had also to be ascertained. For this purpose widespread inquiries were made at restaurants, cafés and hotels to discover how their sales of waffles were proceeding.

(Continued on page 40)

PRODUCTION METHODS and EQUIPMENT

Every Minute of Time
Every Foot of Space



MAKES a PROFIT

By J. W. FELIX
Industrial Engineer

in Ford's Works
at Dagenham

In the December, 1933, issue of **BUSINESS** we gave eleven of these time and money saving plans used in the Ford works. Here are some more. They were investigated and described especially for this paper by the author who is a well known engineer.

None of the plans are freakish; they are straightforward ideas carefully devised to assist the Ford plant in reaching that standard of high efficiency for low cost for which it is famous. Almost any factory could make use of similar short cuts.



BUZZERS SUMMON REPAIR MEN

One of the problems in a large works—indeed in a medium-sized plant—is the question of locating repair men. They might be anywhere. At Dagenham a system of signals has been arranged. These are announced by syrens. One blast say, indicates that the electrician is required, two shows that a millwright is wanted, and so on. This plan cuts out all pedestrianism and unsuccessful searching. It saves times and temper.

A similar idea is used in case of fire. As soon as the fire signal is announced, a driver takes the fire engine to the spot indicated by the buzzer. Other firemen proceed on foot.

Another application of the syren idea is used in connection with a height gauge suspended over the railway track at the loading station. If the load fouls the gauge, a buzzer automatically announces the fact.



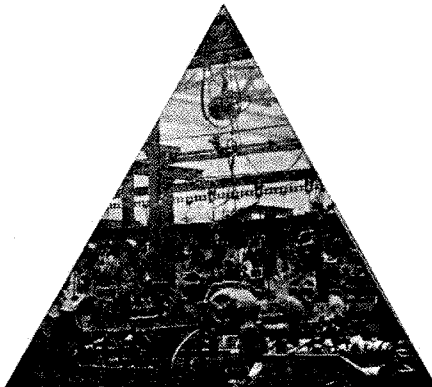
CUTS TWO WASTEFUL OPERATIONS

An analysis of any job in any factory shows that two unproductive elements invariably occur. These elements are (1) Searching and (2) Selecting. These two elements are most pronounced and costly in assembly operations. This is how they are eliminated on the engine assembly section.

A slow moving conveyor carries the

cylinder blocks down the production line. Another conveyor situated behind and slightly above the assemblers carries all the components necessary to complete the engine. These components are suspended from the con-

♦
**THESE
SHORT-CUT
PLANS
EXPLAIN HOW**



Arrangement of assembly parts on overhead conveyor cuts out two waste motions. A compensating device supporting the electric tools neutralises their weight

veyor by hooks. Each hook is specially designed to render easy the removal of the particular part without sacrificing safety. The parts are loaded on the conveyor in the order they will be required. This is done in the finished part stores. Before reaching the engine section, this conveyor presents a recurring series of components.

The first operator takes part one from the travelling hooked conveyor and assembles it on the cylinder block. This leaves a gap in the parts on the hooked conveyor. The second operator removes and assembles the next part, the cylinder block having now reached his work station. This process is repeated

right down the line until every part has been assembled on the engine.

By this means Searching is eliminated—the parts are found always in the same relative place. And as each operator takes the *first* part left in each series, the element of Selection is cut out.



FILING FOR BLUEPRINTS

The problem of filing blueprints is more difficult because of the many different sizes. A file to accommodate them all must take the largest. This means waste of space and waste of time in finding any desired blueprint. The following method overcame the trouble.

Each blueprint is folded to fit standard filing cabinet. On the top of each cabinet a small visible filing cabinet is placed. This gives the index to the contents of the blueprint file beneath. And the fact that both are together makes the usual walking unnecessary.



SWITCHES OPEN WINDOWS

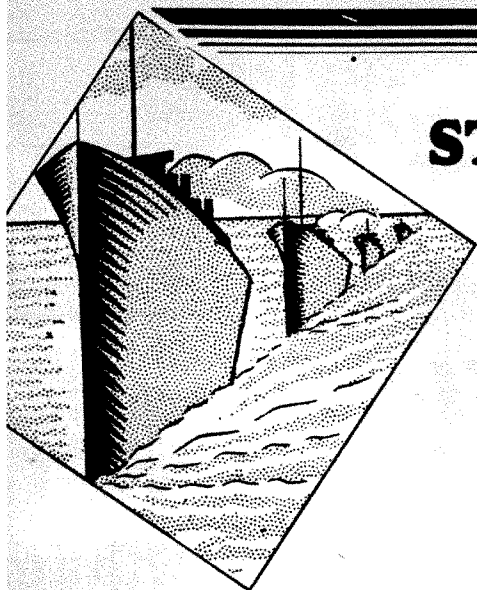
The cost of opening and closing the windows would be surprising if it were known. Each section of windows at Ford's is governed by an electric switch. On the largest sections, those of the roof, one switch operates *eight tons* of windows. That is how the cost is cut. There is no lack of ventilation either, because it is secured without trouble.



CLEANS JIGS QUICKER AND BETTER

The problem of cleaning jigs and fixtures before reloading is so important that it is necessary sometimes to modify their design to facilitate it. The usual method is to remove the cuttings with a small brush. The most expensive brushes do not stand up to the job very long. It is a fiddling process, too.

To make this job easier, flexible tubes



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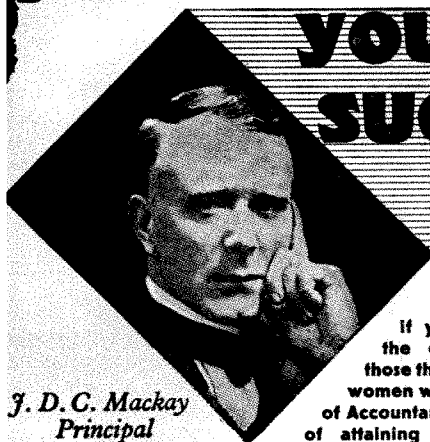


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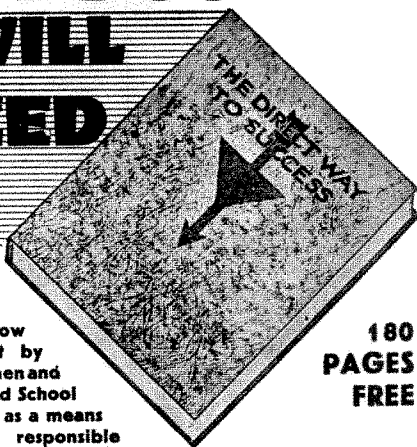
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Statement of Accounts, December 31st, 1933

LIABILITIES		£
Paid-up Capital	14,248,012	
Reserve Fund	11,500,000	
Current, Deposit and other Accounts (including Profit Balance)	415,474,036	
Acceptances and Confirmed Credits	10,176,005	
Engagements	5,657,399	

ASSETS		£
Coin, Bank Notes and Balances with Bank of England	42,233,852	
Balances with, and Cheques on other Banks	13,821,540	
Money at Call and Short Notice	21,035,289	
Investments at or under Market Value	118,086,369	
Bills Discounted	62,828,431	
Advances to Customers and other Accounts	164,440,337	
Liabilities of Customers for Acceptances, Confirmed Credits and Engagements	15,833,404	
Bank Premises at Head Office and Branches	9,540,378	
Other Properties and work in progress for extension of the business	1,106,063	
Shares in Yorkshire Penny Bank Ltd.	750,000	
Capital, Reserve and Undivided Profits of		
Belfast Banking Co. Ltd.	1,405,078	
The Clydesdale Bank Ltd.	2,995,737	
North of Scotland Bank Ltd.	2,377,688	
Midland Bank Executor & Trustee Co. Ltd.	401,286	

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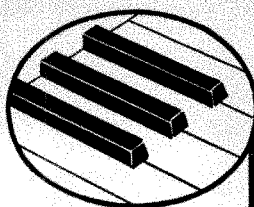
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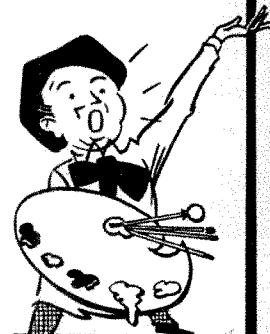
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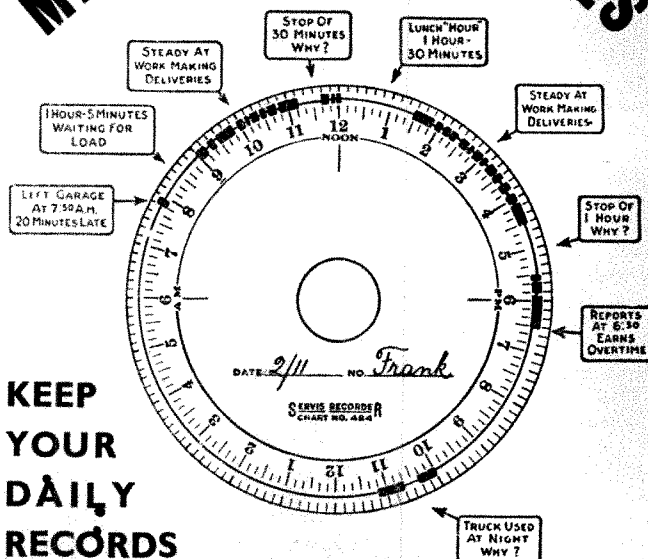


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carrying compressed air are fitted to each machine. A fine nozzle at the end is kept closed by a spring plunger. To clean the jig, the operator depresses the plunger and clears the chips and dust from the jig in less than five seconds.

Besides the obvious advantage of much greater speed, the job is less tiring, less trying. The cost of brushes is eliminated. Jigs can be designed with little reference to the problem of chip clearance. And, perhaps most important of all, perfect register of the part in the jig becomes a matter of certainty, because the blast shifts particles of dust that a brush would miss.

♦ ♦

CANTEEN'S "THANK YOU"

A cafeteria is provided for the office staff. A cash register records all the transactions. When the amount is recorded, a plate is displayed bearing the words "Thank You". Just one of those little human touches, courtesies, which staffs appreciate.

♦ ♦

GAUZE PROTECTS HOSPITAL WINDOWS

Besides two fully equipped medical rooms, a complete hospital is situated in the factory. It contains beds, baths, an operating-table and an ambulance. A qualified surgeon is in constant attendance. Each window in the hospital is protected by a fine gauze shield. It is thus possible to admit any amount of fresh air without admitting flies and other undesirable matter.

♦ ♦

THESE SIGNALS REDUCE FIRE HAZARD

To minimize the damage from fire, it is necessary that every person in an organization should know what to do in case one should occur. This is how the situation is met in the Ford works.

The clocking-on stations are located at numerous points throughout the plant. To avoid waste of time, each clock, with its two sets of card-racks, controls a small number of workers only. One pocket in each rack, instead of displaying a white time-card, displays a red panel. This panel gives the alarm signal for the section.

This clever idea places the vital information, not merely where it can be seen, but at the *one point where it must be read*—and four times a day at that, for in order to select his card, a man must have his mind on the rack. Six thousand men are employed at Dagenham. And six thousand men know what to do in case of fire.

♦ ♦

DRINKING FOUNTAINS WHICH SAVE TIME

Considerable time is lost in most factories because a long walk is necessary in order to get drinking water. Further time is lost in rinsing the cup. Even then it is not clean. To

save this time, special drinking fountains are placed at frequent intervals throughout the works. Upon depressing a ring, the water bubbles from a nozzle to a height of four inches. In drinking, the lips do not come into contact with the nozzle. These devices cut out the walking time and the cup-rinsing time. But their chief value lies in their hygienic advantage.

♦ ♦

EASIER AND BETTER SOLDERING

Soldering is notoriously a wasteful process—and sometimes a difficult one.

This is the method used to solder the tops on radiators.

Instead of covering the two surfaces with solder in the usual way, stampings are used. These are thin leaves of solder exactly the same shape as the radiator top. Holes are already punched so that the leaf fits over the radiator tubes. The soldering process then consists simply of placing the leaf in position, painting it with flux, locating the radiator top and heating the whole job.

This method ensures a perfect joint, eliminates the need of skill, and completely eliminates all waste of solder.

These Plans Cut 40 Per Cent. Off Our Working Costs

By
R. S. PAYNE
Technical Director
Cluett, Peabody & Co.

Reduction in manufacturing costs, as far as direct labour is concerned, merely represents adjustments in piece rates and the spreading of work to hold the organization together. The reconstruction of that part of the organization which contributes so largely to the building up of costs, commonly termed "indirect manufacturing departments", requires, however, much more care and attention than the direct labour departments so as not to disrupt the supervisory personnel or to break down morale.

Our company's careful study of its indirect manufacturing costs developed interesting facts and has made possible a number of major economies.

The division of engineering plants and equipment includes heat, power and light; general maintenance and also the factory general labour departments. These departments were conducted separately, although they reported to one general maintenance manager. This, of course, meant that there was a foreman in charge of each of these divisions: carpenter shop, machine shop, electrical shop, plumbing shop and tinsmith shop, as well as the factory general labour and the heat, power and light departments.

This Was The First Major Economy

Our first job was to place working foremen in charge of each of these departments, with such designations as head carpenter, head machinist, etc. As these men had been promoted from the ranks in their respective departments, they assumed their portion of the regular work, and we were able to reduce each man's staff by two or three workers. In the present organization,

the maintenance manager takes care of all supervisory work in each of these departments. We were able to reduce our costs of operating these departments by about 40 per cent.

Our plant covers more than 600,000 square feet of floor space, distributed in eight buildings ranging in height from six to eight stories and constructed all the way from the early '80s to 1918. In these circumstances the general maintenance problem is entirely different from that of a small plant in which a general handy man can look after practically all plant upkeep. The work to be done in our organization is somewhat specialized, and there is always present a considerable quantity of new construction. In many cases we have proved that this work can be done at a lower cost by our own staff than on contract.

This Method Much Reduced Estimating Costs

A careful analysis of the divisions between new construction work and general factory upkeep showed that 45 per cent of the working time of carpenters, pipe fitters, machinists and electricians was consumed in construction work. This, in itself, requires a considerable amount of estimating. The procedure followed is about as follows: each morning all construction and repair orders are reviewed carefully by the plant engineer and maintenance manager to determine, first, whether the jobs are necessary and, second, to segregate emergency jobs and to set aside others as fill-in work. The jobs are then allocated to the various head mechanics.

Two years ago we instituted a ruling that any appropriation exceeding £100

required Board action. As our organization began to shrink through reorganization, this figure seemed rather high, so we reduced the appropriation limit to £25. This action was taken, not because we had lost confidence in the judgment of our department heads but rather because we felt that it would induce them to make a more careful analysis of work to be done in their department before going to the Board with a request which necessarily would contain a detailed estimate of cost and estimate of saving as well as a "reason statement". This change has proved beneficial.

It is the policy of the Director of Engineering to visit each job at least twice daily after the morning conference. The maintenance manager continually goes from job to job to see that the work is kept in motion.

How The Costs of Plant Cleaning Were Reduced

One of the very necessary jobs in the plant is that of cleaning service. Three years ago we were spending approximately £8,000 annually in cleaning service. It was the practice at that time to have a cleaner attached to practically every department in the plant. These cleaners were under the supervision of the foremen. If the man had a half-day's work to do he could easily distribute this over the day and seem fairly busy. Our first move was to place these cleaners under one supervisor and to have the work done at night. We equipped this staff with heavy duty and light duty vacuum cleaners, floor scrubbers, etc., and laid out the work on a square foot basis. We reduced this expense to less than £4,000 annually, and our factory is probably 50 per cent cleaner than under the previous method. Attached to this night cleaning staff is an electrician who cleans all electric light fixtures and replaces burned-out lights, enabling us to have all fixtures cleaned at least once monthly without interfering with daily operations.

In a plant the size of ours, the factory lift service is naturally a problem. Until three years ago, we operated nine lifts. A careful study of this situation enabled us to re-route employees to their work, canteens, etc. This, together with the installation of mechanical conveyors for stock and empty cartons, enabled us to reduce our factory lift staff from nine to five.

Our stock rooms are located on two floors, with the general order-filling, invoicing and packing on one floor. We selected one lift for the use of the stockmen on the second floor, who, after picking out their orders, now operate the lift themselves.

Our main plant had five entrances. We closed two of these, and re-routed the employees through the remaining three, thereby eliminating two door-men.

Attached to our salvage and factory general labour departments were eight handy men or labourers. By combining these two departments under one

foreman, we eliminated three labourers, a stenographer and a clerk. Several of these labourers in these two departments were general handy men capable

The "Flying Squadron" Can Do Many Jobs

of doing a great many jobs about the plant, such as operating lifts, handling coal, and watchman relief work, so that the combined group made a very excellent "Flying Squadron". It is our be-

lief that out of many of the present reorganization plans the idea of the "Flying Squadron" will develop into a very necessary service body.

Our company's experience would seem to indicate the logic of a thorough, fact-finding survey of "indirect manufacturing departments". Unsuspected sources of economy, which sacrifice nothing of effective performance, may be found in maintaining proper balance between direct and indirect manufacturing costs.

THREE IDEAS for the Busy Manager



Checked Day-light Glare

IN a factory where the assembly of small parts was carried on there was one bench running the entire length of one side of a large room and directly facing

and against a window which, following modern construction, was also the entire length of the room.

This window had an unobstructed view over open country. Thus, from the natural light point of view, it was at first considered ideal.

Employees working at the bench, however, and facing the window, found that, though there was full daylight falling on the work, the brilliant light from a large expanse of unobstructed sky was also very trying to the eyes.

To overcome this a simple idea was devised.

Three-ply strips covered with thin sheets of stainless steel were fixed at an angle to the window. These shields had the effect of cutting down the amount of light which fell directly into the workers' eyes and of reflecting additional light down on to the work bench.

Plenty of light was able to come in over the top of the shields, so that the general lighting of the deeper interior of the shop was not noticeably affected.

This plan not only much reduced the fatigue of the workers, but it also enabled them to increase their output without effort.

Finds Those Who Should be Rewarded

SPECIAL cards, headed "Recommendation for Awards", were supplied to the chief executives of the various departments of a large manufacturing concern. Those who received the cards were instructed to send one to the managing director, informing him of any praiseworthy work observed in the organization.

The management distributed these cards very quietly, unknown except to the reci-

pients, and requested that they be used only in the most worthy cases.

The results have been very helpful in promoting the spirit of the organization.

The benefit is not wholly with those rewarded, however, for the whole organization is better when men and women are properly recognized for their work, and when the executives know more about who is putting forth special effort.

The holders of these cards use them for anyone in the organization—not only those in their own departments. One of the best results occurred in the promotion of a lift attendant to receptionist, after special recommendation had reached the management upon one of these cards. This employee's unusual courtesy and accommodation, especially at rush times and in trying circumstances, caused several executives to give her the recommendation she deserved.

The rewards have the form of personal letters from the managing director, monetary awards, increases in salary, and promotion.

74 Minute Job Reduced to 10

IN a small tin-box factory, lids which had been stamped, collected on the top of the press, and, when swept off, fell at the back or the side. A chute was fixed at the back of the machine and a large wicker basket on wheels at the side. The time spent per day in gathering up the lids, was in this way reduced from 74 minutes to 10.

Hand Trucks from Scrap

A big saving is made in one firm in the cost of hand trucks for conveying material about the works.

Apprentice moulders are given the job of making iron wheels, scrap bar is used for axles, and packing-cases no longer required are used as bodies, and trucks are built up by apprentices.

The trucks are not exactly craftsmanship jobs, but they serve their purpose well. As they cost practically nothing, they can be scrapped when too worn to work properly.

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by CHARLES F. HAANEL

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OFFICE PRACTICE AND EQUIPMENT



An investigation into the kinds of papers, forms, books etc., used, revealed many extravagances. This story tells how they were dealt with and prevented from recurring



One of the smaller items which we selected for investigation when seeking to make internal economies was our expenditure on stationery. We felt that considerable savings and improvements could be made by systematizing research into the whole question of stationery uses and costs.

First a small committee was appointed to consist of the head buyer, the head of the office printing department, the head of the office planning department and an investigator who was also to act as secretary.

To Examine Kinds and Uses of Forms

We possessed an excellent printing department equipped with a considerable quantity of office printing machinery. We also had a very keen buyer. We could not therefore hope to make much additional saving at either of these points.

The first thing we did was to define a policy. We decided—

- to investigate every item of stationery stocked;
- to institute an organization for controlling the stationery usage in each department.

A list of all items of stationery was prepared, showing the description, code number, maximum and minimum stock levels and also the price. The committee met weekly and decided the items to be investigated during the following week and the action to be taken on the items previously investigated. To obtain an immediate saving, all requisitions for new items of stationery (items which had not previously been ordered) were passed to the committee before any purchase could be authorized. When possible, the requisitions were cancelled or standard stock items were substituted. All items ordinarily supplied were continued until the committee had investigated them.

28 Types of Forms and Binders Reduced to 6

Each item of stationery was viewed from all angles. Sizes and qualities of

paper were standardized and their uses defined. Only two qualities of paper were allowed, exception being made for forms printed by machinery requiring special paper. The standardization of paper sizes prepared the way for standardization of sizes and types of binders and folders, these being reduced from twenty-eight types to six, four of these being binders requiring the punching of papers, one being an envelope folder and the other an open folder for use in filing cabinets. We thus at the same time reduced the number of different punches in use. Invoices were reviewed and kinds in use were reduced by twenty-five.

A big field for economy lay in the examination of specially printed and bound books. It was found that nearly all these could be obviated by the use of loose-leaf forms printed by ourselves.

How Office Printing Machinery Cut our Costs

All forms which could be printed more easily by us were examined by the head of the office printing department, who prepared a cost figure which was compared with that supplied by the head buyer. When the cost showed in favour of our own printing staff, it was arranged that such work be done by them in future.

The investigation revealed many forms and other items of stationery which were either unnecessary or which

could be combined with some other forms. Managers of the departments using these were interviewed and advised of the demise of such items, persuasion, of course, always being used to gain the approval of the managers.

All the items of stationery bought outside the firm were the first to be investigated, and when a decision was reached on each item the maximum and minimum stock levels were re-fixed where necessary. It was decided that the maximum stock level should be equal to a three-months' supply, the minimum being the quantity sufficient to cover the period necessary for re-ordering.

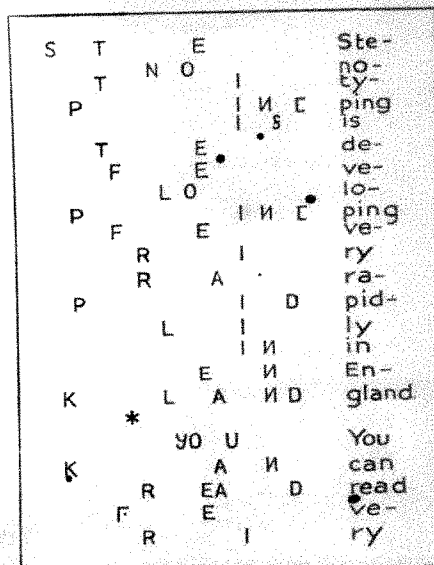
Attention was then turned to forms printed by our own staff. These were reviewed from the point of view of use, layout, size and quantity. We found that many departments used forms very similar to each other, but not absolutely identical. Where possible these were amalgamated. The committee arranged for all forms used in more than one department to be stored centrally. This enabled the office printing department to print greater quantities with a consequent saving in both time and stencils.

All stationery ordered from other firms was bought by the purchasing department on the instructions of the stores control department. We therefore arranged for the stock cards to be marked according to the committee's decisions. A central store was used for

(Continued on page 32)

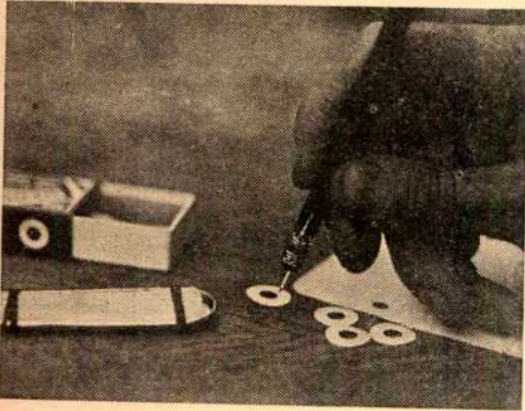
SHORTHAND MACHINE

While new to the British market we understand that the machine which produces this kind of shorthand writing has been used extensively in France for some time. The machine itself resembles a typewriter with twenty-one keys, and is very easy to use. A speed of 230 words per minute can be reached by an operator of ordinary skill, and she can keep from four to six typists working simultaneously. The great advantage which it offers, in addition to its small size (10" x 9" x 3"), is that the characters, since they are made mechanically, can be read easily by any person, so that there is no necessity for the notes and the final typescript to be made by the same person. As the machine works silently, it is an excellent device for the recording of verbatim reports at conferences, discussions, etc.



These **FOUR IDEAS**

Save time in a **BUSY OFFICE**

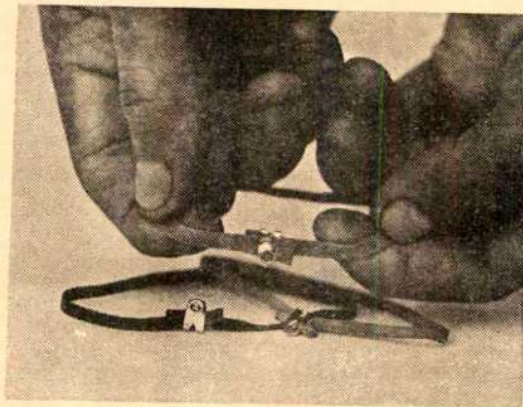


TO APPLY LOOSE LEAF PATCHES

Small loose leaf patches are difficult to moisten and get squarely over the hole they patch. Cut the head off a common pin and force this end into the rubber or eraser part of a lead pencil. The point of the pin can be forced into the tough gummed cloth of the patch which will hold it nicely while pressing lightly to a moistening pad, and then to lay the patch neatly over the torn hole in the sheet being patched. Not necessary to try to handle the patch ring with the fingers at all, only to press it down firmly in place. The aggravating little patch rings can be easily worked with in this manner

REPAIRS LARGE RUBBER BANDS

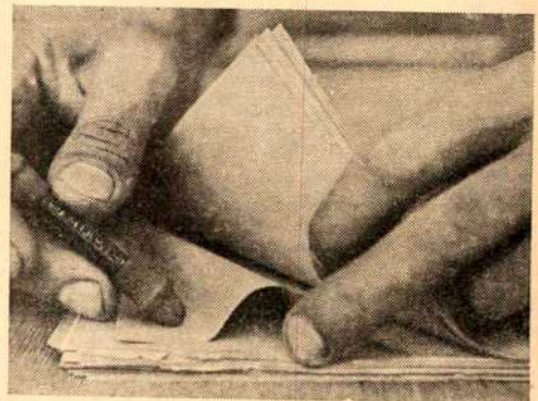
The heavier sizes and widths of rubber bands often suddenly break, and they do it frequently too, when they are not so very old. With no new large band handy, some quick emergency method of repair is very convenient. Tying the band is not so good, you cannot successfully knot the rubber, and the knot is in the way if the band goes round papers which are to be piled or laid flat in a certain order. Take a common paper fastener, lap the ends of the band a quarter of an inch or so over each other. Firmly compress the fastener over the ends and secure it snugly by tightly bending over the little clincher point which comes up through the eye. This can be readily done with a small pocket knife. The ends of the band will be securely held in this manner and without the inconvenience of a bulky, bulging knot. Paper fasteners are always at hand around the desk, while a stock of rubber bands of the larger sizes never seems to be. This little 'vulcanising' job will nicely patch for the time almost any of the larger size bands. In practice it is found that the heavier the type of band the longer does this emergency repair last. In big offices the cost of large rubber bands is high; so this repair is worth while



These ideas were photographed in his own office by a reader of BUSINESS

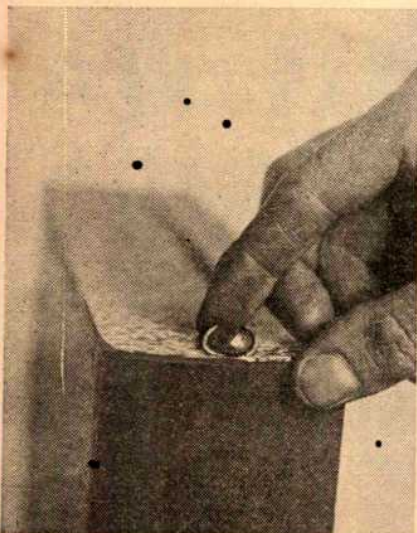
TO WITHDRAW HEAVY FILES

When letter and record files become full and heavy, the small leatherpull tabs on most of them break off, or are, if serviceable, hard to draw the file with, particularly if files are closely packed on a shelf above shoulder height. A very simple scheme easily to get them out where they can be gripped is shown here. Drive a medium-sized rubber-headed tack in the upper wooden portion of the file. The finger ends can pull on this, easily tipping the file out and getting enough of it clear of the rest of them to be seized with the fingers and readily lifted down. Makes the files easy to handle no matter how tight or closely they may set on the shelf



QUICKLY SORTS PAPERS

Papers, letters, and file copies are generally handled by means of a finger-stall or moistening the tips of the fingers from a dampened sponge. A finger-stall is often annoying and uncomfortable, while a sponge is not always satisfactory, and some paper does not stand the moisture even to that extent. Take an old lead pencil, some three inches long, cut the ends off squarely and force over each end a common soft rubber eraser cap. This little device is very convenient to use for this purpose. It does not wrinkle the paper corners, and there is plenty of friction even with a very light pressure. It is readily carried in the pocket and will last a long time



Why Not Use The SLIDE RULE?

By ROGER SNELL

The most urgent need of the executive is to do more work in a given time. Mechanical aids have been developed to enable him to do this.

Quite apart from the array of splendid machinery which so enormously speed up work by saving time in the general office and routine departments, the executives have their own appliances.

One item, however, has been very largely overlooked, and that is the slide rule.

The slide rule, of course, is to be found on the desk of almost every man engaged in work of a technical nature, such as the draughtsman and engineer. Those who have graduated from a technical position to a techni-commercial position, or to a solely commercial post, put the slide rule to constant use. They have inherited a means of calculating that they would not be without for any money. Often they are regarded in many offices (sometimes by first class commercial men) with amazement, because they have learnt the art of applying this simple form of calculator to their business calculations, thereby saving a great deal of time and needless brain-fag.

The idea generally exists among professional business men that the slide rule is an entirely technical affair, and useful only for the mechanical engineer in solving difficult formulae, and that it is a very difficult instrument to manipulate.

On the contrary, the slide rule is very easy to use. It does not necessitate the knowledge of logarithmic principles involved in the calculations, any more than does the operator of the calculating machine need to understand the mechanism of the machine being operated.

Perhaps it should be pointed out that often only an approximation can be obtained, but there are occasions when such approximations are all that are desired, and the departmental chief is satisfied with an answer to the nearest £. A check-up on the slide rule will often convince him that a detailed working is accurate.

If the engineer, who is called upon to work to fine limits can use this calculating device, then surely the business man, who no less desires approximations, can find uses for it as well.

Perhaps a few simple examples will suffice to point out its usefulness and practicability to the commercial man:

Example 1. Simple multiplication.
 $18/7\frac{1}{2} \times 215 = 4000/- = £200$ (approx).

Once the scale is set to $18/7\frac{1}{2}$, this can be multiplied by any number or fraction of a number, and the answer read almost as simply and quickly as a child reading a multiplication table.

Example 2. Simple Division.

(a) £57 16s. 6d. divided by 21.4 = £2.70 = £2 14s. 0d.

(b) What percentage is 2250 of 4849? = 46.4%.

Example 3. Combined Multiplication and Division.

531 Bolts at 17/6 cwt. (121 to the 531 cwt.) = $\frac{531}{121} \times 17.5 \times 12 = £3$ 16s. 9d.

This ultimately amounts to a proportion calculation, and it would be just as easy to read off the price of any other number at the same time.

Example 4. Deduction of Discounts, etc.
£2 3s. 4d. less 47% less 25% = 17/1

The even amounts are only accidents and do not affect the simplicity or otherwise of the calculations.

Even the use of interest or discount tables is a clumsy process when broken

amounts of the £1 and per cent. are concerned.

In offices where charts exist showing decimals of the £1 and the ton, etc., the slide rule can be used to great advantage.

Example 5.

2 tons 3 cwt 3 qrs 10 lbs at 34/6 per ton = 2.919×1.725

= 3.78

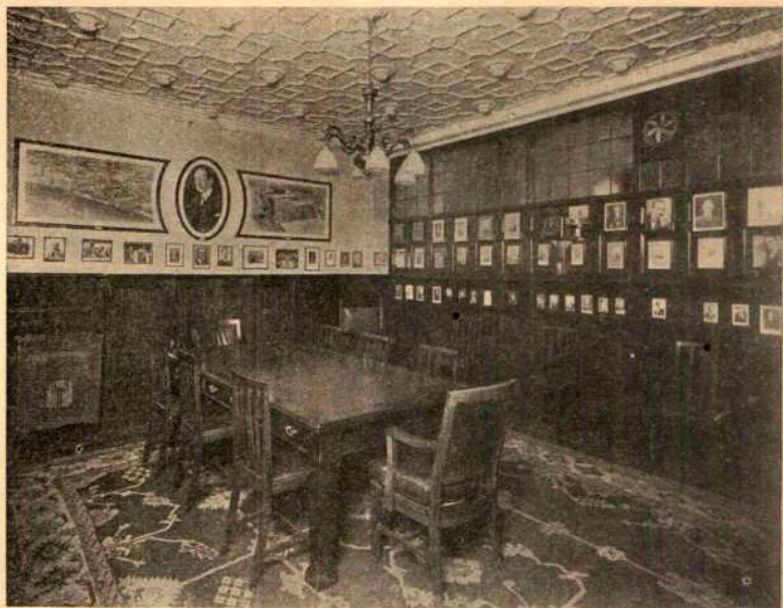
= £3 15s. 7d.

These are of course only simple calculations to show the scope of the slide rule; the more involved they are, the greater will be the amount of time and fag-work saved.

It must be observed that the degree of accuracy obtained will depend upon the nature of the calculation performed. The smaller the amounts calculated the more accurate will be the result, and the larger the figures the more approximate will be the result.

These few notes are not meant to be an explanation of all the uses of the slide rule, but are just drawn up to show that immense possibilities exist in the ordinary fields of commerce.

These possibilities have just been realized by a leading firm of British manufacturers, who have placed on the market a special invention for commercial calculations.



Our Reception Room. Has a Goodwill Value

From G. J. FRESHWATER

Publicity and Sales Promotion Manager, The Marconiphone Co., Ltd.

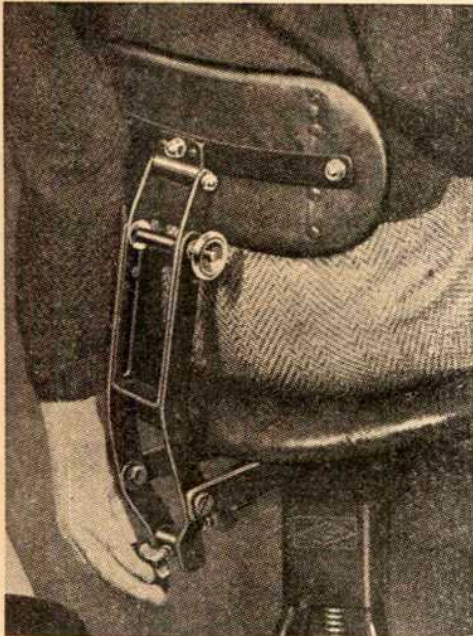
This Company attaches great importance to the manner in which callers are received. Our reception-room is often the first actual contact with this house of business made by visitors. These may be customers with whom we are already doing good business, prospects with whom we want to do business, or people who at any rate are potential users of our products. Whoever they are we want their contact with this house to reflect the cordial spirit of goodwill which is behind

our business in every sphere of its work. In this the attractiveness of our reception-room plays a vital part. We consider that it has a big and definite cash value.

On the walls are autographed photographs of many of our trade friends. We are constantly adding to these because we feel that this little gesture helps to convey to new customers the good feeling which exists between all our dealers and ourselves.

Among The Latest In . . .

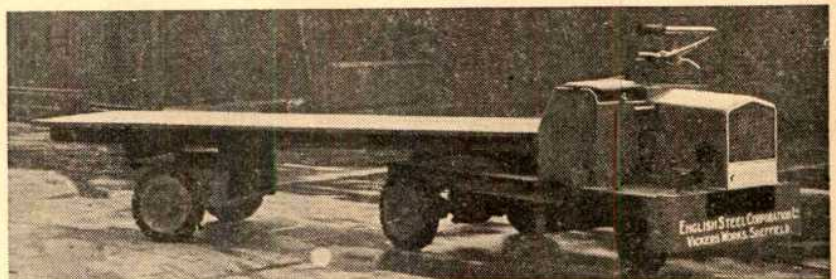
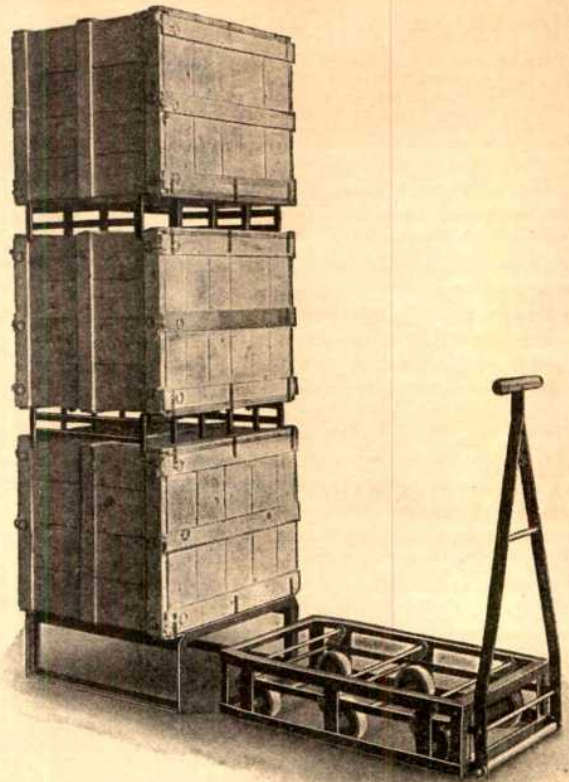
BUSINESS EQUIPMENT



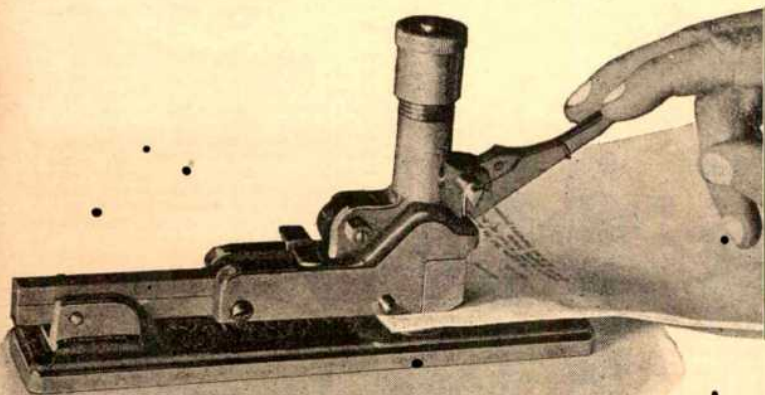
Above: Thanks to the research which has been carried out into the subject of seating we know definitely the exact kind of seat with which to provide a worker to enable him or her to work well without unnecessary fatigue. This type of chair allows the user to make the most accurate and comfortable adjustments without leaving the seat

Right: This equipment is designed to reduce handling time. It consists of an all-steel skeleton racking and transportable lifting device. The boxes are delivered to the warehouse and are unloaded from the lorry on the steel skids. The dividing skids between the boxes are fitted with steel rollers which enable the boxes to be easily pushed from the skids into the skeleton racking.

The special lifting truck is used by the operator to transport the boxes to the racks. The method of operation is merely to run the truck under the bottom of the skid and pull down the handle—which raises the whole load. Transportation by one man is then a simple matter



Above: Versatility and economy are features claimed for this truck. It has a 500 c.c. air-cooled petrol motor, shaft drive, 2 forward speeds and reverse and will carry loads up to 25 cwt. on a 1 in 7 gradient. In operation the machine will do, for an all-in cost of £2 6s., exactly the same amount of work which would call for 6 men with hand trucks working a full week at a cost of £12. A typical week's costs for this truck are: 6 gallons petrol 7s. 3d.; oil and grease 1s. 0d.; tyres 4s. 0d.; driver's wages—youth 20s. 0d.; standing charges 13s. 9d. Total £2 6s. The SAVING over the manual labour quoted above is £485 per annum



Above: A great deal of experiment was undertaken before this stapling machine was put on the market. The designers aimed to produce a machine which could not clog, no matter under what conditions it was used. The result seems to substantiate that claim. In this model the same slight pressure only is required, irrespective of the number of sheets of paper to be stapled

HELP YOURSELF . . .
To the new Free Business
Service described on
PAGE 35

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These figures relate solely to examination successes and do not include the many hundreds of students who were trained to proficiency in the practical (non-examination) postal courses in Business subjects.

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Business Feb., 1934

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IN HANDLING YOUR MULTIPLE FORM
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Model No. 19

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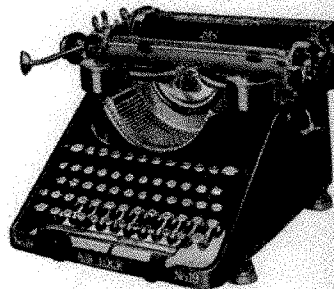


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The most extensive range of Duplicating appliances ever offered

FORTY years' progressive development in the design and manufacture of Duplicating Machines has brought us to the stage that to-day Ellams' Duplicators are undoubtedly the most perfect appliances obtainable.

The regularly increasing demand for Office printing machinery has resulted in the production of a Duplicator for every possible purpose.

No fewer than four distinct models of Rotary Machines are offered, ranging from the bulk-feed, power-driven machine capable of high-speed output, to the simplest possible form of hand-feed Rotary, sold at a particularly reasonable price.

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INTERCOMMUNICATING—AUTOMATIC—LOUD-SPEAKING—The Dictograph Telephone System enables you—as Principal—by the merest flick of a key—to



SUB-STATION

- 1** Get through instantly to any departmental member of your organization, without turning a dial, calling Exchange, holding an earpiece, or speaking into an unsanitary mouthpiece.
- 2** Talk naturally to him, without raising your voice and without moving from your seat or even from your usual attitude.
- 3** Hold a conference between several of your departmental "heads" without anyone leaving his department "leaderless".

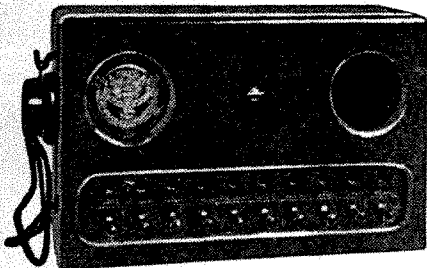
4 Hear their replies aloud through a loudspeaker as distinctly as if they were standing at your side. If you wish your replies to be for your own ear only, an earpiece is provided.

5 Retain both hands free to write or hold papers whilst you talk, or even walk about the room or dictate your letters.

6 Secure right of way in a polite manner over other conversations between your departments.

AND ALSO PROVIDES

FULL OR SELECTIVE INTERDEPARTMENTAL COMMUNICATION



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BRANCHES:—LONDON, MANCHESTER, BIRMINGHAM, GLASGOW, DUBLIN, BELFAST, LEEDS, BRISTOL, NEWCASTLE, CORK, Etc.

£3,000 A YEAR SAVED IN STATIONERY

(Continued from page 27)

all such stationery, but forms printed at the firm were ordered direct from the office printing department with the above exception. Some new printing machinery was found necessary to replace existing equipment which was well worn and to handle the diversion of orders previously placed outside.

Putting Control at the Point of Issue

Much overlapping of ordering of stationery was found in departments, and the committee realized that unless there was control at the source of requisitioning, it would be faced with a ceaseless repetition of the process of cutting down requests until everyone in the firm became waste conscious. This we saw would take time. We therefore made one person in each department responsible for ordering and stocking stationery within that department. These persons were to be known as stationery controllers, and the duties were, of course, in addition to their ordinary work. We felt that, from a personal aspect, the appointment to this job of persons likely to train up to executive rank would provide some training in meeting people and in making decisions. Managers were asked to nominate people.

The scheme has had a very beneficial effect. Instructions to the stationery controllers were prepared showing the methods of judging the efficacy of a form, the different methods of printing such a form and the difficulties encountered in such printing. A list of standard sizes of paper was provided and the general policy of the committee was shown.

A publicity campaign was started throughout the works to make every person feel the need for economy. Managers were provided monthly with a statement of cost of stationery requisitioned by their departments, together with the comparative cost for the same month the previous year. The policy under which large stocks had always been withdrawn immediately prior to stock-taking was deprecated, and we aimed at bringing the total consumption of stationery nearer to the straight line ideal.

The committee sat for nine months and completed the survey of all expenditure on stationery.

The justification for this plan lies in the fact that there has, for the past four years since the investigation, been a progressive reduction in the expenditure on stationery, last year's figure being 24.5% lower than that of four years ago, a saving of over £3,000 per annum, and this in spite of the fact that stationery prices have not fallen appreciably and that certain large items have increased in cost owing to the fuller use we are now making of colour printing. In all, over 20% of the stationery items were discontinued.

USE THIS COUPON

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the Editor or from Advertisers*

To BUSINESS Service Department, 6 Carmelite Street, E.C.4

Please send, without obligation, more information in connection with advertisement (or advertisements) in the February, 1934, issue of BUSINESS numbered below.

Numbers (see Index above).....

Firm

Address



The "Daily Express" recently asked its readers to record what they considered the faults and virtues of the retail trader. Here are a few opinions taken at random from the thousands who replied. We publish them by kind permission of the "Daily Express"

The Customer Speaks Out

Well Meant, Perhaps But Tactless

A remark made to me recently when I was buying a hat annoyed me considerably: "I suppose this would be too expensive for you, modom!"

Being, like most people, a snob at heart, it was only human nature for me, even though I couldn't afford it, to buy the hat immediately. Perhaps the milliner was a psychologist, and counted on this, looking upon it as good salesmanship.

If so, let me tell her that one sale does not make a customer. I shall never visit her shop again.—London, S.W.10.

Little Things That Count

Several years ago I entered a tobacconist's and bought some cigarettes. Before handing the packet to me the assistant stripped off the transparent wrapper.

That little service took my fancy, I had never experienced it before.

I have patronized that shop ever since.—London, N.16.

Cat On The Counter

Shops where the cat is allowed to sit on the counter or anywhere but the floor are avoided by me.—Stevenage, Herts.

Show Cheaper Goods First

My custom goes to the shop where the assistant will sell me what I want, not what he wishes me to take.

I avoid the shop where I am shown the most expensive goods first, and afterwards—very reluctantly—the cheaper varieties.—Hull.

The Right Way—And The Wrong

Recently I bought a creaming machine from one firm and a sports coat from another. Both, from my point of view, were faulty, and of no use to me.

I returned them to the suppliers on the same day. One firm accepted the machine back with as much courtesy as they supplied it, and as freely.

The other firm said they would refer my complaint to the manufacturers. After three weeks the same coat has been returned to a dissatisfied customer who will not again visit that shop.—London, S.E.16.

Result Of A Sly Grin

Because the assistant who served me, on seeing that my taste differed from hers, slyly turned round and grinned at a fellow employee, an up-to-date shop has lost my custom.—Westcliff-on-Sea.

Painted Nails Disliked

When foodstuff shopping I carefully avoid the shop where assistants have brilliantly tinted nails.

Customers Dislike—

A cat on the counter in a dairy or food shop.

Assistants who lick their fingers before picking up grease-proof paper.

Shops with a step.

A shopkeeper standing idly at his front door.

Finger-nails varnished deep-red—if the assistant is serving food.

A badly-lit shop.

Being shown the more expensive article before the cheaper one.

Over-eager assistants, and those who tell the customer what he, or she, wants.

Assistants who engage in cross-talk with each other.

Shop-walkers and (worse of all) shop-window touts.

This is not a mere prejudiced and narrow attack—the female desire to be fashionable is understood, but however obliging the girl might be, the physical revolt at the blood-red nails handling food is too much.

This feeling is shared by many housewives, and that particular shop or girl is avoided.—Sheffield.

Greasy Parcels At The Grocers

I have given up dealing with a certain grocer because he would lick his finger before picking up the paper to wrap my bacon in; then, instead of handing me the parcel, would put it on the greasy scales, with dire effect upon my gloves and contents of my bag.—Newcastle-on-Tyne.

Cross-Talk Between Assistants

Despite inconvenience to myself, I now avoid a certain hairdresser's for what may appear a detail, but one which to the person in the chair represents lack of interest by the hairdresser in his work—cross-talk with his fellow assistant.

This eliminates that complete personal attention which is due to every client.—Northampton.

A Perambulator Problem

A mother should be enabled to shop at ease so that she will be happy rather than harassed, as is often the case.

Personally, I shun two shops now which I used to frequent solely because the baby linen departments are on the second floor. I cannot be worried by taking a perambulator in a lift or risking the loss of it.—London.

Why She Never Returned

For a year I have avoided a certain dress goods department, because on observing a very nice-looking cloth at a reasonable figure I asked the salesman if it were all wool, and he replied: "Well, you can see what it is, madam!"

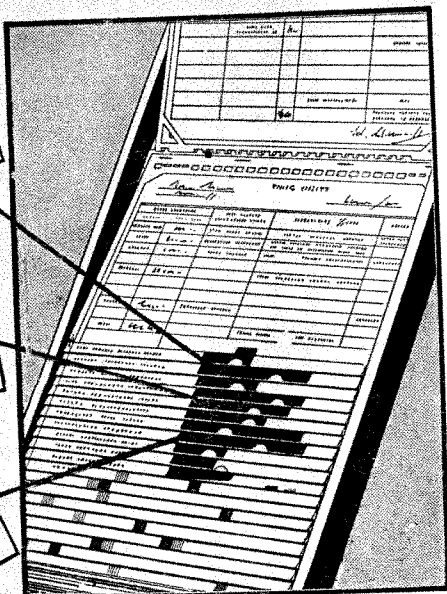
I walked away, and have not bought anything from there since.—Wembley, Middlesex.

The Equipment may look alike—

ACCOUNTS
WHO OWES MONEY
AND
FOR HOW LONG?

SALES
WHO BUYS
WHAT AND WHEN?

STOCK
WHAT ITEMS ARE
OVER OR UNDER
STOCKED?



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It would be difficult to mention a single great firm to-day that does not use Kardex Visible Record Systems. We have helped them. We are waiting to help you. Kardex Visible Record Systems from 15 shillings.

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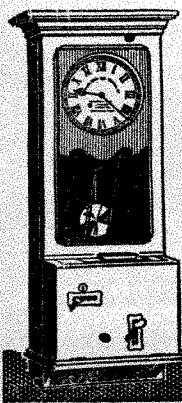
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by encouraging punctuality, and eliminating unproductive minutes. The "G.B." is the modern system for modern businesses—its efficiency and economy have been proved by many large firms and corporations. [British]

Send for details, also quotations for
Time Cards and Wage Paying Supplies

GLEDHILL-BROOK TIME RECORDERS LTD.
38 Empire Works HUDDERSFIELD

GLEDHILL-BROOK

PLUS SALES FOR 1934

(Continued from page 8)

took the old stuff off the market at fixed prices and scrapped it.

This offer to buy the old model gives a wonderful impetus to the buying of the new. A man who has just assured his wife that she cannot have a new hat owing to the demands of Mr. Chamberlain will not go home with a new fountain-pen, if his old pen is working equally well. But if he can tell his wife that he had a reasonable offer for the old pen, he may buy a new one.

When we initiated this scheme we bore the whole cost ourselves. Clearly we could not afford to stand that expense from year-end to year-end. But it has proved a useful stimulus in the pre-Christmas lull.

It is worth considering whether we can find a compromise for sharing the burden with our dealers. For a controlled part payment plan has immense possibilities for many lines of better-class merchandise, in my opinion. I believe that the retailer will value this service much more highly when he foots part of the bill.

Free Life Insurance, too, for The Agent

Finally, we gave the retailer a special service by insuring his life annually for the amount of his turnover in Parker Pens. I think that we are the only people in our own field to insure the lives of their customers in this way. The dealer pays nothing.

At the end of each year the value of the policy is automatically adjusted to the trader's sales volume in our goods. He has simply to sign his name. Yet one-third of our retailers won't have this insurance even as a gift! However, 66% of them do take it, which is good enough for us.

The actual question that occurs to many suppliers of non-essentials who have broadened their lines as we have, is this—shall we be able to return to a shorter range in the near future?

Personally, I think not. While trade may improve gradually, there are no signs of money becoming really plentiful during the next few years. Exchange restrictions, tariffs, political uncertainties forbid it. If we are to keep our factories going we shall still need volume, and to get adequate volume we shall have to depend on less expensive lines.

Personally, I am an optimist as to 1934, not because business itself is so much better, but because a great many of us have adjusted our marketing, have increased our efficiency, and improved and economized our production to such an extent that we are *almost* bound to do better. And the more of us that do these things, the better it will be for business generally.

HELP YOURSELF .

to this New Business Service

That "two heads are better than one" is a generally accepted fact. All over the country there are Associations, Societies and Services of one kind or another for helping the business man in some way with his affairs.

To get this business help and advice from one single source, however, instead of spreading one's inquiries over half a dozen directions is certainly an idea that will appeal to the hard-pressed business man and executive to-day; it is, there-

*An all-embracing Advisory
Service from a single
central point*



fore, with some enthusiasm that we welcome the newly-formed "Better Business Association"—an organization offering business men a complete help and advice service, from one central point, at a very moderate cost.

The primary aim of the association is Service to its members. It will provide a common source from whence members may find and take advantage of the aggregate experience of hundreds of successful business men engaged in every field of commerce.

The association has gathered together, in the first place, an unofficial committee of experts on the separate and specialized phrases of business activity outlined on page 25. The advice and experience of these experts is free to members, and will be generally given either through the post or via the offices of BUSINESS.

In the second place BUSINESS will constitute the Official Organ of the association and will devote, each month, a page to association news, views and affairs. This section will be a forum through which members may announce their opinions and experience concerning any problem or topic of business and through such announcements secure the exchange of ideas, opinions and experiences of other business men whose interests centre round the same topic.

One of what appears to be the most impressive features of this organization is the fact that it is in a position to give frank and unbiased advice on members' problems and inquiries. Let us take one practical case. An old-established manufacturing concern decides to reorganize its office and book-keeping system. Immediately the inquiry is received the service bureau of the association will prepare and submit a complete scheme, with unbiased recommendations as to the type and make of office appliances, book-keeping and invoicing machines that should be used for that particular business.

A suggestion for a sales or collection letter—criticism of a particular window display—the name and address of the suppliers of some little-known product—inquiries of any and every kind in connection with business will be promptly and adequately dealt with.

Thus, the association opens a new and invaluable service to the modern business man. It can and will put him in touch with other business men with whom he has mutual interests, aims and problems. It can widen his experience by introducing to him the ideas and methods in force in a thousand different spheres for the most efficient and profitable conduct of business routine.

It will bring him business contacts that he would probably never think of in the usual way. It will lift a considerable amount of petty worry and detail from his shoulders—a most important point in these days of high-pressure business.

How you can join this new association and take advantage of its free service is described in the announcement on page 25. Turn now to this announcement and send your application for membership to the address given.

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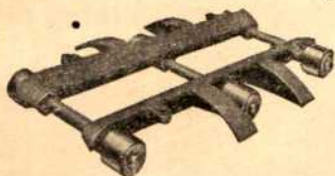
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The B. I. F. is a **BUSINESS** EXHIBITION



★ Steadily during recent years the Business Appliance, Equipment and Services section has grown larger. This year it will be one of the most important, and most visited, sections of the whole Fair. It will be a record for size and variety, and must command the attention of EVERY business man

For twelve days from February 19th the attention of tens of thousands of business men in Britain and from all parts of the world will be focused on the British Industries Fair.

This year the Fair attains its majority. In its twenty-one years of life it has grown from a comparatively insignificant government department to one of the greatest buying rendezvous in the world, comparable even with the famous Leipzig Fair, six hundred years of age, older even than printing in the Western hemisphere.

Exhibitors' stands at the Birmingham Section of the Fair are being remodelled on modern lines as a result of a suggestion made by the Duke of York when he toured the Fair on the opening day last February. The Duke of York commented upon the difficulty of ascertaining exhibitors' names and other information given on signs above his head on the front of the "closed-in" type of stand generally used.

Acting on the Duke's advice the authorities are adopting modern "open stands" with names and other details clearly shown at the back in place of the "closed-in" type of stand encumbered with superstructures and overhead signs which could only be read from the gangways. Looking down the gangways, visitors will now see wide vistas of exhibits with makers' names prominently in sight.

These changes will make an immense improvement in the display of exhibits and the lay-out of the Birmingham Section.

So much now is known about the B.I.F. and the admirable arrangements which its authorities have made for the convenience of business visitors from all corners of the globe that little about that need be mentioned here.

What concerns the readers of BUSINESS much more directly is the enormous growth of the Business Equipment, Appliance and Services section of the exhibition, and the fact that this year the section will be bigger and more varied than ever before. The number of exhibitors here will be very little short of a hundred.

If there is one thing that the late industrial crisis did it was to emphasize to business men that the heart of any organization was the office, and that the seat of successful and profitable control was located at this point.

The stringency of the times showed indisputably that vast savings could be made in the office, or at least have their origin in the office.

The business man has had it proved to him that not only the actual production department, but every other department of his business must be properly planned and equipped with the most efficient machinery and appliances available if he is to gain and hold his share of the world's markets.

At the Fair will be found every office appliance and business service which can be employed to bring efficiency up to the high economic level demanded by the keen competitive conditions of to-day.



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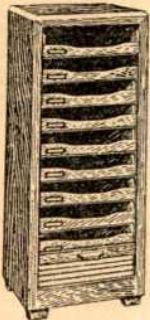
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Here is a chance to grasp. We have bought for cash a stock of REAL OAK Roll Curtain Cabinets, each with 9 sliding trays 16 x 13 x 3 1/2 ins. Lock secures all 9 trays. Ideal for Office and much used for music, records, etc. (Mahogany finish 7/6 extra.)

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HAVE A PERIODICAL APPRAISAL

(Continued from page 12)

construction of accounts which will truly reflect the conditions they are designed to record. It is a scientific check by which are brought to light past inaccuracies and omissions; and it serves as a continuous measure of change to assist in the intelligent maintenance of property records. The significance of an appraisal can best be comprehended in connection with a thorough understanding of what plant accounts are, or should be, and in what respect your own accounts measure up to these specifications, or fail to do so.

The complete plant account should comprise an accurate record of the properties, revealing:—

- (a) Their cost
- (b) Their deterioration as expressed in depreciation deductions
- (c) Their improvement as affected by expenditures upon them
- (d) Their relation one to another as functioning parts of a business
- (e) Their value.

Unless the property accounts reveal all of this information in accurate, substantial and readily accessible form, they are inefficient, and the property owner must remain in ignorance of facts which careful administration of business demands.

Fallacies which creep into the Accounts

Unfortunately, however, there are many pitfalls in the path of those charged with the maintenance of the property accounts. Some are due to arbitrary or fallacious policies, some to a lack of proper liaison between the accounting and the operating departments, and some to deficiencies in personnel. A few of the more prevalent conditions, which tend to cause a divergence of the accounts from the facts as evidenced by the properties themselves, are as follows:—

1. Capital expenditures may have been charged to expense, or vice versa
2. Depreciation may have been determined arbitrarily in accordance with some preconceived policy, resulting in an excessive, insufficient or erratic charge
3. There may have been a failure to discriminate between renewals and those minor repair charges which should have been absorbed in depreciation
4. There may have been a failure to include all costs involved in plant construction, maintenance or additions
5. The properties may have been enlarged and changed in such manner as to lose correct record of the original investment
6. Earnings may have been put into the properties without proper analysis
7. Development costs may not have been properly capitalized
8. Original records may have been lost.

These are all common deficiencies. Any one or more are found with startling frequency in the analysis of book records of even the most carefully organized companies. And any one or all will result in such inaccuracies as to make the basic

(Continued on page 40)



*The Dunlop
Rubber Co., Ltd.,
Birmingham.*

*Henry Whiteway
& Co., Ltd.,
Whimple.*

*Quilts Manu-
facturers, Ltd.,
Manchester.*

*The Standard
Motor Co., Ltd.,
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*Farley's Infant
Food, Ltd.,
Plymouth.*

*Church & Co.,
Ltd., North-
ampton.*

*George Spencer,
"Vedonis,"
Nottingham.*

*Joseph Lucas,
Ltd., Birming-
ham.*

*The Shredded
Wheat Co., Ltd.,
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City, Herts.*

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On the desk of the Chief or other Executive is a small box. On the desk of his Secretary or Receptionist, or in a convenient position in the Staff room, is an Indicator. The Chief, operating a switch on his Box, sets the Indicator. Should the Secretary or Receptionist wish to communicate with the Chief without interrupting him, by touching a button she can learn whether she may enter, or whether he is "Engaged" or "Out" without having moved from her place.

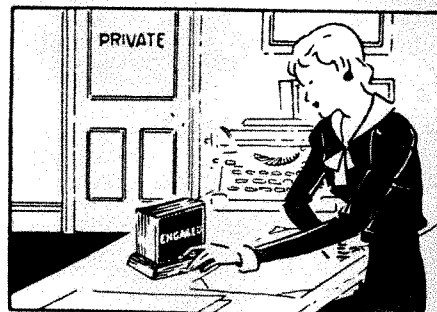
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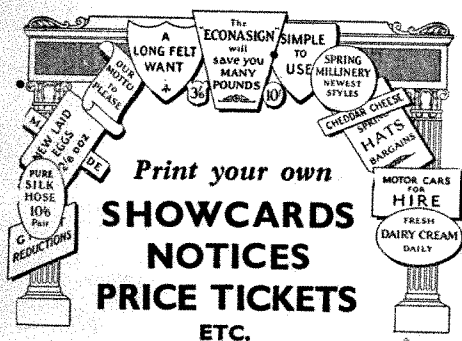
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NEW BOOKS

For The Business Man

FROM THE BUSINESS HOUSES

The secret behind the efficient control of the modern business is the availability of key figures relating to costs, production and sales. But these figures must be *current*, red hot, as it were; they must not be mere history, records of what has long passed.

No human agency can alone produce those current statistics which live management requires. Machines are needed; are, indeed, vital. What kind of machines?

Powers Accounting Machines, a sixteen-page illustrated booklet by Powers-Samas Accounting Machines, Ltd., Aldwych House, London, W.C.2, has been produced to give the business man an idea of the wide scope of their various machines in the production of vital data for the Control of a business. The booklet is free to readers of **BUSINESS**.

The Profitable Office, issued by Shannon, Ltd., of Imperial House, Kingsway, W.C.2, is a booklet (free) which every business man should write for. It urges, rightly, that every job in the office should be creative; just as are jobs in the factory. Every employer, naturally, would like his

office to be an actual profit-earner; but there are still many thousands who do not know how to bring about this very necessary state. Shannon's booklet describes how it can be done, in a really practical way.

One of the finest examples of an explanatory catalogue which we have seen for a long time bears the title, **A New Gesture** by Gestetner, and comes, of course, from D. Gestetner, Ltd., 37 Ludgate Hill, E.C.4.

Primarily it describes the firm's latest duplicator, but by means of movable flaps very cleverly arranged you can, from the catalogue, literally take the machine apart and see how it is that such amazing services as the machine will perform are made possible. The catalogue undoubtedly cost a lot of money, but it is one which will excite your interest.

Send to the Dictaphone Co., Ltd., Kingsway House, Kingsway, W.C.2, for a copy of **Progress**. Whether you run a "one-man" office or are concerned with a mammoth organization, you will be interested in the savings and convenience which are possible with this direct-speaking system of dictating and recording. As with the others, this booklet, of course, is free.

CAN WE CONTINUE THIS TRADE RISE?

(Continued from page 15)

exchange index; 2.8% increase in Metropolitan (the wholesale and retail district); 3.6% increase for the country, solid trade and industrial district.

The State Revenue itself reflects better trade, promises a surplus, and thus may forecast even better trade through reduction in taxation. On balance the National figures are £106,000,000 better than last year.

Commodity prices were up by .6% on December, but 4.1% on the year. Yet the cost of living at 42 points was exactly the same as a year ago.

Railway traffic returns show a rise, which indicates a definite increase in the movement of heavy goods and manufactures.

General trade recovery and enterprise is shown by three facts: industrial profits as a whole increased for the first time since 1929; number of commercial failures decreased for the first time since 1929; the number of new companies registered in 1933 are the highest ever recorded.

Exports Only Black Spot

The only figure that has not improved now is exports. These are down by £4,000,000, over 10% on November, and £2,000,000 on the same month last year, though only half of this was in manufactured articles.

Total imports are up on a year ago 2½ millions; food imports are down; raw materials up by £3,260,000; but manufactures also up by slightly under a million.

Colonial Prospects Good

The outlook in the colonies is bright. Every month since April has registered an increase in Canadian exports. A 1932 unfavourable balance of \$98,000,000 has been turned into a 1933 favourable balance of \$125,726,000. Internal Canadian business is on the upswing; December business index showed increase of 27.6% on February. In India, also, business improves, the balance is righting itself. The recent agreement concerning the vexed question of Japanese imports will allow further improvements. The Australian progress continues. The Dominions have benefited much from the Ottawa agreements.

European Trade Agreements Helpful

On the Continent conditions are slowly improving in those centres with which we have trade agreements. The economic situations in both Sweden and Norway are better than a year ago; exports have improved, though unemployment is still the problem. Finland and Denmark favour British exports.

France's foreign trade still decreases; she has found that undue artificial restrictions on imports result in equal and often greater reductions of exports. Her internal situation is not favourable for an upturn. Germany again shows an increase in unemployment to 4,000,000; but industrial production is reported higher; exports are slightly higher, though her trade balance is still far below the 1932 and 1931 level.

OFFICE ADMINISTRATION FOR MANUFACTURERS

By R. A. MILLS, A.M.I.E.E., A.M.I.Mech.E.

This book deals comprehensively with factory office administration and management. It provides a fund of practical and easily adopted suggestions of first importance to all actively concerned with the management of a manufacturing business. Every chapter is an account of working experience and the most economical and practical viewpoint is advanced. Over 140 charts, graphs, specimen cards are included. 420 pages. 10/6 net

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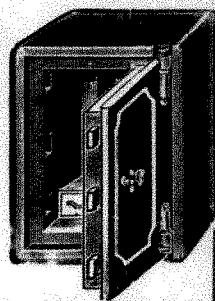
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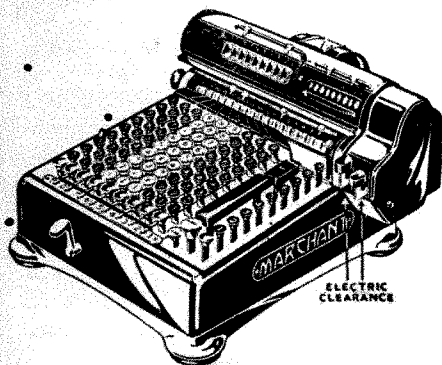
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MARCHANT "MASTER OF MATHEMATICS" CALCULATING MACHINES

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The Marchant will speed up your clerical work, reduce your costs and eliminate expensive mistakes. Guaranteed in every respect for one year. A demonstration and trial will cost you nothing.

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L. C. SMITH and CORONA TYPEWRITERS LTD.
Melbourne House, Aldwych, W.C.2
TELEPHONE TEMPLE BAR 2531

(Continued from page 37)
data of your plant accounts inadequate for:—

1. Insuring the property intelligently and economically
2. Recovering such part of your investment as may be wiped out by fire
3. Computing departmental depreciation, and, from this, production costs
4. Keeping your banker satisfied that your plant is worth your recorded investment in it, and your own organization convinced that your plant accounts are not understated.

The application and use of appraisal, in short, falls within the sphere of the accountant. The appraisal gathers the raw materials with which the accountant works. Appraisal establishes the fundamental elements upon which depends the accuracy of the accounts as records of the properties.

Then it can be seen that appraisal has many valuable uses in every type of business, and is not only a sure form of protection but a tremendous help to scientific and efficient management as well.

THIS CAMPAIGN SOLD TWO PRODUCTS

(Continued from page 19)

ing. The reports were sufficiently encouraging for Henley's to start marketing operations. An additionally encouraging feature was that cookery editresses of newspapers and magazines were mentioning waffles more and more frequently, thus introducing to the public the advantage of making waffles in the home.

Although there were a large number of people who knew the taste of waffles, there were on the other hand a large number to whom waffles were only a dish of transatlantic origin. The advertising problem therefore resolved into a question of:

1. Educating a sceptical electrical trade.
2. Educating an ignorant public.

With each waffler is supplied a recipe book and a packet of Suncrip waffle powder. The waffle powder is not made by Henleys. Its inclusion represents an interesting piece of co-operation between two manufacturers whose interests became identical upon the introduction of the waffler.

The Suncrip powder is made by Pascall Knight, Ltd., who have never undertaken an advertising campaign on behalf of their product.

Another interesting idea is the inclusion of half a dozen cards printed with the words: "I am giving a waffle party on at Do come!"

This is a definite incentive for the public to use the new dish.

This single campaign has definitely opened a new and rapidly growing market for two distinct products.

[This article is abstracted from the *Advertisers' Weekly*, by kind permission of the proprietors.]

BRANCH SALES MANAGER WANTED

Company with London Head Office and Provincial Branches requires responsible man 28 to 38 to qualify for Branch Sales Manager.

Personal selling experience in outside capacity must have extended over several years. Experience as Sales Manager an advantage. Remuneration starts £400 to £600 according to qualifications.

Write, in confidence, giving fullest particulars, to Box 153, BUSINESS.

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When ordering—

'SWAN' INK

for general office use
remember that the larger
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20 oz. 2/9; 30 oz. 3/6; 40 oz. 4/6;
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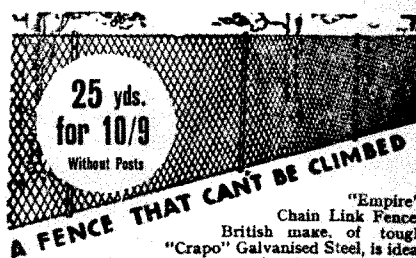
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practices in management
methods and industrial
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Complimentary copies will
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MUTUAL PROPERTY
NATIONAL EMPLOYERS
PHENIX
PROVINCIAL
ROYAL
ROYAL EXCHANGE
SCOTTISH AUTOMOBILE
& GENERAL
ZURICH

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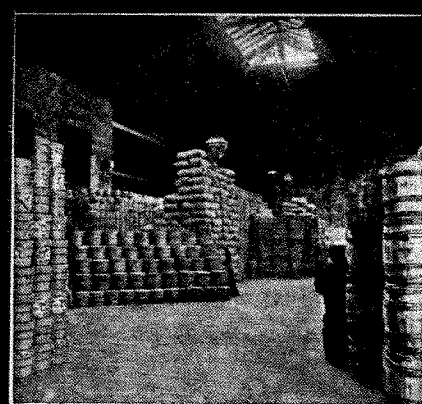
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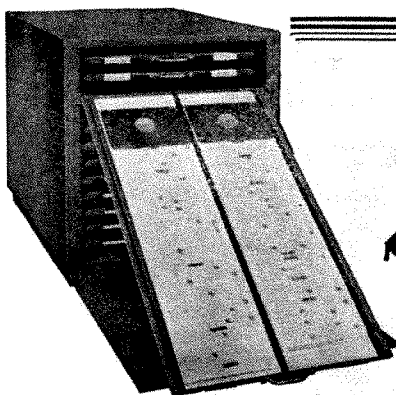
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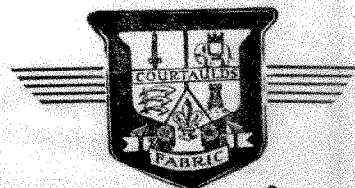


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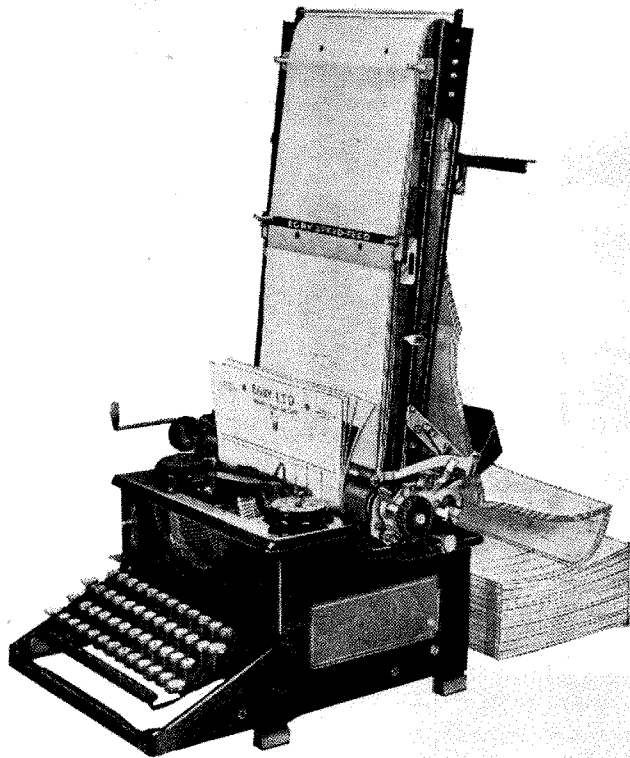
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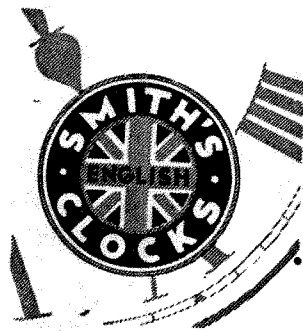
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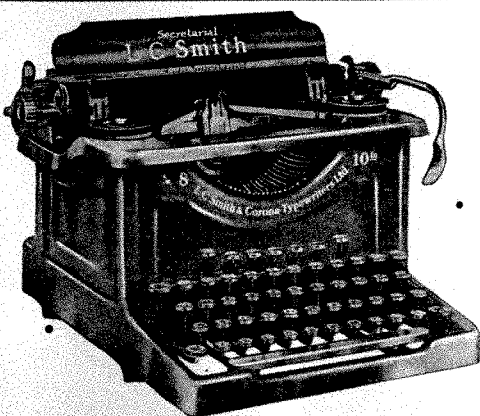


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**WHICH CAN
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be of use to you

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5 distinguishing features of the L C SMITH Ball-Bearing Typewriter

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- POST** in full detail customers' Statement of Account.
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- BALANCE** each Ledger Account as Postings are made.
- BALANCE** Control Account showing balance of Sundry Debtors for proof with trial balance.
- PROVE** daily each balance by Star Key.
- PROVE** daily that all Debits and Credits are actually posted.
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BRANCHES AND SERVICE STATIONS IN ALL PRINCIPAL CITIES

BUSINESS

MARCH 1934



This Firm's Branches Were Expanding **SO IT CLOSED THEM DOWN!**

This is an age of increasing expansion in business. Time and time again we hear of firms opening new branches, following closely the growing suburbs, and every developing neighbourhood, of whatever kind.

We did the same for a time, and then, a few months ago, we decided to abandon that policy. We closed down our branches in the various parts of London and concentrated on one central shop.

People have commiserated with us for this "misfortune", for in their eyes it is a misfortune to retrench, instead of expanding. Their commiseration is, however, unnecessary, for this policy of concentration was most carefully calculated beforehand and has been justified.

For three generations, this firm has made suits, and in each generation it has been our pride to be craftsmen, carefully considering each individual suit as a separate piece of work, not as a conglomeration of several mass-produced components.

Two Distinct Policies Rule in This Trade

In this lies the reason for our concentration. There are two schools of thought in the tailoring world. One believes in the mass-production of inexpensive suits, with as much attention as possible, of course, given to the requirements of individual customers, and the second believes in the individual production of each suit, at a higher price than the products of the former. This individuality, it is

By P. G. HARTLEY
from an interview with
JOHN MORLEY
Chairman: John Morley, Tailors

asserted, means a higher standard of workmanship.

Our incursion into the realms of multiple tailoring has proved to us that it is not possible to use the methods of the former school to produce the results of the latter.

The individual school is the older of the two, and it has a hold upon the public which is difficult to break. Multiple tailors are obliged in their advertising to attempt first to break down the deep prejudice which undoubtedly exists against mass-produced suits, and then to proclaim the excellence of their work. Without some indirect attempt to achieve a sympathetic state of mind in the public, it is folly to attempt to sell the suits. Hence, we see, almost wherever we go in England, pictures of national figures in suits made by this or that multiple firm, and following these come the usual advertisements of the wares of the firms in question. Although advertising men are good at combining two or more appeals in one advertisement, they cannot combine all things, and the advertising appropriation for a multiple firm of tailors is bound to be colossal.

Multi-Branch Shops Cannot Get the Regular Customer

A large proportion of the trade done by multiple firms is casual. Much as

they try to gain regular customers, and, indeed, while they have a good deal of success, they do not get as many *regular* customers as they would like. People recognize the fact that, although they are given every possible attention in the shop,

they are still order numbers only at the factory where their suits will be made; a man is not, as he is with the individual tailor, Mr. So-and-so whose left sleeve always has to be a little longer than his right one.

A third point about multiple shops which was in our minds when we changed was the fact that the principal is never on the spot for any considerable period of time. By the very nature of his business, his work is administrative rather than executive. However good the manager of a shop may be, there is never the same spirit in the work of the assistants as there is when they know that the chief is about the place, especially if the chief is a man who will dispense praise when it is due, and generally takes a personal interest in his staff.

Paying Branches do not Offset Losing Ones

Fourthly, every single shop must be made to pay its way. It is false economics to believe that what one loses on the swings one gains on the roundabouts. Usually, the ultimate balance is unfavourable.

These four points we considered when we proposed the centralization scheme which has now been put into operation.

The premises which, we decided, would be best for carrying on the business were central—in the Strand—and they were also the largest of all our shops. By some chance, the rental was also the lowest. Here we had a perfect setting for our reorganization.

Quietly, and without fuss, the various branches were closed down. The customers were circularized, informing them of the fact and of the reasons for our action. They were also informed that the manager of the branch was henceforth to be at the central shop, and that he would be there to see them any time they should call. When the branches were originally opened, a man was sent to each as manager, who had been with the firm for a very considerable time, having experienced work in every department. We thought that by doing so we should obviate the impersonal touch which was, in our eyes, even then the great flaw in multiple shops. Now, the managers of all five shops are in the central premises, and their old customers come to them and ask for them by name, knowing that they will be attended to by the person whom they desire to see.

Principal Now Able to Meet All Customers

The principal of the firm is almost always on the premises, and whenever a new customer comes in, or a man who has been a customer at one of the branches in the past, he is immediately made known to the principal, who discusses with him his requirements, and generally endeavours to make him feel that his interests are also those of the firm. We have, of course, lost the trade which we gained from the casual passer-by, the man who is in town for a day or two, and possibly not again for some months or years. To balance against this we have tightened up our overseas department, which will be discussed later in this article.

Since all five men in the shop have long held responsible positions, and since they have all been in the service of the firm for a very considerable period of time, there is no need for strict supervision. The principal is

able to concentrate his energies on selling, rather than on staff control. To use the word selling in this connection is, perhaps, to give it a rather broad significance. For his energies are not given to the actual selling of goods, but to the gaining of more goodwill from the customers who come in to see their favourite salesmen.

It is the general rule under the new régime that every person employed as a craftsman by the firm must have gone through every department. The workrooms are in the same buildings as the shop, and so a salesman can easily supervise any garment which has been ordered by one of his customers.

This Arrangement Makes for Better Work

Further, the psychological effect of complete technical knowledge on the minds of the makers is excellent, for they are able to visualize the whole garment, not only with reference to the particular part which may be at the moment in course of preparation. Another advantage of this system is the fact that it facilitates inter-departmental co-operation; when one man knows what are the problems of the next man, and in addition understands them, one gets in a firm that spirit of unity which gives strength.

When the branch shops were open so much attention had to be given to their needs that a department which was potentially very profitable had to be neglected. That was the overseas department. This is now receiving very close attention. We have agents in the United States, South America, Africa, and India. They send to us the measurements of their customers, and we make up the suits in everything except such details as the length of

the sleeves, the placing of buttons, and so on. These are completed locally, for they are, next to a good cut, the most important parts of a suit, and the most annoying if they are not exactly observed.

We Have Been Able to Revive Export Trade

In all the places where we have agents, we find that it is a matter of great satisfaction to the residents to be able to get a suit made in London by a firm with a reputation behind it, and the expense of carriage is fully justified by the results. Frequently we find colonials and civil servants home on leave visiting the shop, "just to see where my suits really are made". They are naturally treated with great respect and given a hearty welcome, for each one, by his recommendation in countries where personal recommendation is of paramount importance, is a potential salesman for us.

One Shop will Soon Do More than All Branches

The volume of trade which has been done in the shop in the last eight months is three times the volume of the trade which was done in this shop in the whole of the previous year. As yet, it is not so large as the total volume of trade done by all the branches, but the trend points to the achievement of that ideal in the course of the next twelve months.

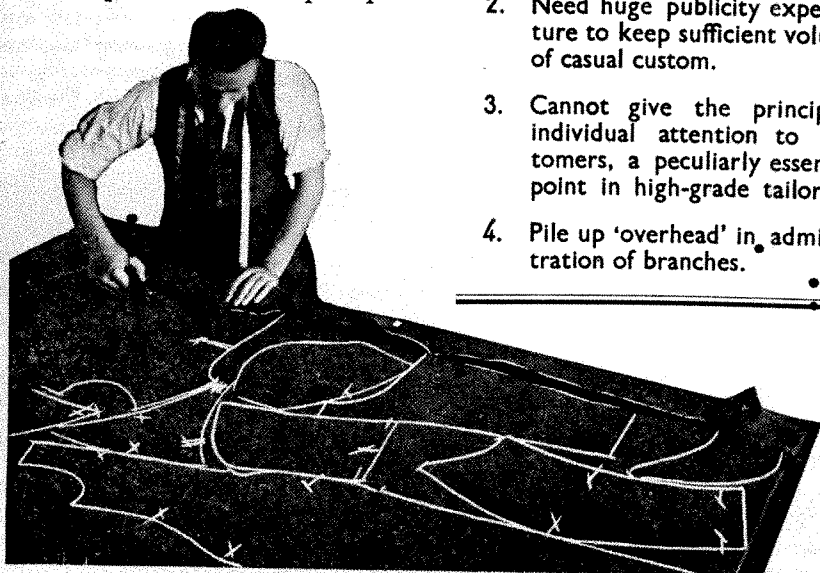
This, be it noted, is regular trade; very little of it is due to occasional purchasers, for now there are five shop-fronts fewer for the casual passer-by to see. As an added inducement to regular customers, we have a "Dividend Days" scheme, whereby on certain days in the year regular customers are given a rebate on their purchases of a percentage fixed by the state of the business. This is not a new scheme; it was in operation when we had the branches, but, owing to the overheads and other charges, it was seldom possible to give more than a ten per cent dividend. This year the dividend is twenty-five per cent.

This is just another illustration of the value, from our point of view, of centralization. We are enabled to make an unusual and definite appeal to our customers, and at the same time to put into operation a marketing plan which costs the very minimum of money. By circularizing customers and prospective customers, we consolidate our position with old customers, and gain new ones.

Finally, there is one point which must be stressed again. In such a business as this, which stands for craftsmanship and individual attention, the personal touch is the most important. If that is present, the business can go on, but if it is lacking, if an attempt is made to compromise between the individual school and the mass-production school, it cannot. The two are entirely different, and a business must, we have found by experience, go definitely to one side or the other. It is fatal to hover uncertainly between the two.

This firm closed its branches and centralised at one shop because it considered that multi-branch tailors:—

1. Cannot hold regular customers.
2. Need huge publicity expenditure to keep sufficient volume of casual custom.
3. Cannot give the principal's individual attention to customers, a peculiarly essential point in high-grade tailoring.
4. Pile up 'overhead' in administration of branches.



Budget Easy to Instal

A system of forecasting, or control by budget, is acknowledged by business men to be the method of controlling an organization to-day. It is very easy to get such a plan working in full swing. Here is how one well-known concern put its budget into operation:—

1. Called a meeting of executives and explained fully the objects of the budget; saw that every executive was properly "sold" on the idea and that each department head, in turn, sold the idea to his staff.
2. Gave each department head his figures for the past 3 years, enabling him to set his own budget for the ensuing year. (Executives give better co-operation if they personally have a hand in setting the quotas.)
3. Adjusted accounting system to match budget schedules so that periodical checks of actual figures with budgeted figures could be made.
4. Adjusted accounting system so that direct responsibility for every controllable expense was covered by a definite department.
5. Appointed a definite individual as budget controller. His duty to watch all actual figures against their budgeted counterparts.

Saves Money In Stocks

By appointing an expert in every area to advise stockists on the kinds of machines suitable to their own particular districts a sales director of a radio concern has considerably cut down the wastage of unsold sets. This both pleases the dealer and saves money for the suppliers.

Managing Director Collects Accounts

"We have a very effective system of accounts collection," writes the secretary of a company, "run under the direct control of the managing director. All accounts over a certain size are tabulated alphabetically. Against the name of each firm is shown the cash value of goods bought each separate month. As payments for monthly accounts, in whole or part, are received, the appropriate amount is struck off.

"By means of this simple list, the managing director can see at a glance at any time exactly where there are substantial outstanding receivables. The list is carefully examined two or three times monthly, and special form letters are sent to firms which are overdue.

"We take particular trouble with these letters. Not only are they carefully written, but we never use a form letter over too long a period. Every few months their entire angle of approach is changed, thus they never appear to recipients like circulars.

WHAT OTHER EXECUTIVES DO

"During the past year we have been gratified at our collections. The system has been very effective in enabling us to get liquid capital back into the business which we might otherwise have had frozen up."

Research Work At Low Cost

The head of a firm of tile manufacturers, needing technical research work to be carried out on his products, arranged with a local technical

Dear Sir,

We regret that delay has occurred in returning the specimens you sent with your application for the post of Over 500 applications were received and it was impossible to consider them properly, while carrying on our ordinary work, without allowing ourselves a certain amount of time.

In view of the large number of applicants possessed of high qualifications, our task has not been merely to find a really good man, but to choose which, out of so many good men, was the one most likely to suit us, and himself, in the job offered.

You will therefore understand that no sort of reflection on your abilities can be inferred from the fact that we have not selected you as one of the applicants to be asked to call on us for a personal interview, also that in the circumstances it is not possible for our answer to be made in the form of a personally typed letter.

We thank you very much for the trouble you have taken in presenting your application and hope sincerely that 1934 will see you placed in an appointment that fits closely with your ambitions.

Yours faithfully,

A firm is under no obligation to reply to unsuccessful applicants for an advertised position. The above letter, however, was sent out recently by a very well-known firm to every applicant whose offer could not be considered. It is a first-class example of how the courteous and friendly spirit of a business house can be revealed in its correspondence and extended even to notifications of this kind.

institute to permit its senior students to carry out this work.

The institute was glad to have really practical instead of non-important work to do, the manufacturer was saved the expense of buying certain special apparatus which the tests called for, and the cash award made to the students, while completely satisfying them, was much less than that which otherwise would have had to be paid.

Gives Workers Wider Ideas

Periodically a box and carton manufacturer makes up parties (a dozen or so) of his workers and arranges for them to tour the works of manufacturers of quite other products. He states that this plan has definitely improved the standard of work in his own factory.

Anti-Waste Demonstrations Get Results

The management of many firms are finding that anti-waste exhibitions are having good effect in checking the extravagant use of materials.

The exhibition is unannounced, but a week beforehand special individuals are instructed to search (unknown to the rest of the staff) all waste-paper baskets and scrap boxes. The collection of wasted and spoiled letter-heads, envelopes, carbons, blotting-paper, pencils, string, rubbers, metal, packing and raw materials is then dramatically displayed, with appropriate remarks and notes as to cost marked up on posters.

The display, and especially the pointers about costs, are generally an eye-opener to the staff, and any action of economy subsequently followed by the issuing or stores departments then usually has the full sympathy of the employees.

Can you use the anti-waste idea?

Orders, Supplies In Time

An office manager has ensured that stationery items are ordered in time by the simple process of slipping a requisition form at a pre-determined distance from the end of the stock, in the same way that an order form is found in a cheque-book.

Ousts Red Tape

"Red tape in any big concern," states a managing director, "grows like a weed. We wage a continuous fight against it. At our monthly executive meetings we take one major routine operation of office or factory and trace it carefully right through. If we find that there has developed in it any procedure which wastes time or energy, we immediately re-cast that operation to cut out the waste."

For the Robinson Crusoes

Because the executive heads do not know the FACTS about their businesses; that is why so many concerns languish. The facts — clear-cut, unhidden by detail: HERE THEY ARE



These are days of trade improvement. Many thousands of firms, even among those whom the recent slump plunged into despondency, are seeing their prosperity curves rise encouragingly.

Unfortunately, though, there are many businesses to-day which find it difficult to make any such forward move. It may be, even, that calamity, in greater or less degree, faces them.

This story is set out in case it may assist such concerns. It explains a simple method by which the causes of business retrogression may be diagnosed and remedied.

By this plan a managing director can quickly assemble the vital data relating to the working of his concern; he can arrange it for logical examination and comparison; he can readily appraise the significance of the figures before him, sort out the good factors from the bad, put his finger immediately upon the weak spots, and so reconstruct his organization on profit-making lines.

• I say, most definitely, that it is the inability—from one cause or another—on the part of the executive head to do this, quickly and accurately, which every year causes businesses to fail, or at any rate keeps them in low water.

• The first thing a managing director must do is to assure himself that he is not devoting his energies in the wrong directions.

His most effective tool for ascertaining this is the accountant's figures. Now, the accountant's figures are often difficult for the managing director to appreciate at their true value. There is little to be wondered at in this, for the accountant's figures are obtained from the professional standpoint of technical accuracy, and this often makes simplicity impossible.

But a managing director *must* have adequate figures—and he must have them so that he can read them at once, like a barometer. The vital items must stand out clearly, dramatically, telling their story with unmistakable truth.

How is it possible to get such figures?

By reversing the usual process of trying to consider the accountant's figures as a whole and, instead, by having them submitted to him clearly split up into their component sections on a manage-

ment basis. In such a form of figure returns the executive can at once perceive the strong links and the weak ones, and can adjust his action accordingly.

Let us take as an example the case of an actual firm that was doing only moderately well, and wished to do better. The name, of course, must be withheld, but the firm in question is a manufacturing concern with a small works producing goods from raw material.

All the financial figures of a business are related either to income or expenditure.

Your Figures can be split up like this

Income usually arises (a) from trading, represented by the net sales turnover, or (b) not from trading, represented by interest on investments, rents from property, etc. On the income side, therefore, we must know the net sales turnover and the "sundry" income, not from trading.

The expenditure is split up as follows: Note carefully that we follow the normal sequence of management responsibility.

STATEMENT OF ACCOUNT				
Month of January				
		£	£	
(a) Sales Turnover	...	...	...	7,185
Cost of Manufacture—				
Opening Stocks	...	...	14,739	
(c) Direct Material	...	...	14,739	
(d) Direct Labour	...	...	1,864	
(e) Factory Oncost	...	...	2,135	
Sum.	...	...	19,955	
Deduct—				
Closing Stocks	...	...	15,163	
Manufacturing Cost of Goods Sold	...	...	4,792	
Representing a FACTORY SURPLUS of	...	...	2,393	
Deduct—				
(f) Exceptional Trading Expenses	...	...	65	
Representing a GROSS TRADING PROFIT of	...	...	2,328	
Deduct—				
(g) Company Overheads	...	...	1,509	
(h) Fixed Charges	...	...	80	
			1,589	
Representing a NET TRADING PROFIT of	...	...	739	
Add				
(b) Sundry Income, not from Trading	...	...	12	
Representing a NET PROFIT on Going Concern of	...	...	751	
Deduct				
(i) Special Charges	...	...	24	
Representing a NET FINAL PROFIT on Period of	...	...	727	
= 10.2% ON SALES TURNOVER				

Here are the key figures, uncamouflaged by confusing detail, set out as a Statement of Account. The strong and weak points can be seen; the profit can be seen; the relation of the one to the other can be seen. This is the information the head of a business needs to have

Direct Material

Direct Labour (These two constitute what is known as "Prime cost", and represent all material and labour directly forming part of, or used in, the goods sold.)

Factory Oncosts (In this category are gathered all the remaining expenses, indirect labour and material, general charges and standing charges, that are required to run the factory.)

The sum of these three gives us the factory cost, and at this point the responsibility of the works manager ceases. Then come two more items:

Exceptional Trading Expenses (Non-recurring expenses, unusual items which may never occur again. If we include them in the factory oncost or the company's overheads, which come next, we should get a deceptive impression of the normal state of affairs.)

Company Overheads (Here we collect all the expenses necessary to run the company as a whole, split under sales expenses, general and standing charges, from the selling and administrative standpoint.)

All these together represent the cost of manufacturing the goods, selling

of Business . . . and Others

them, and running the business. There may, however, be the interest on borrowed money to be considered, perhaps debentures or bank loans that must be met as a definite expense, so we must include also—*Fixed Charges*.

Added to the total of the above, this gives us the whole expense of running the business as a going concern.

There may still be further expenditure which has to be made, but which is really not due to the existing "going concern". A derelict works, a closed depot, a shop no longer used; charges may have to be paid even though the place is useless. Such expenses must be taken out and kept altogether separate, being shown as—*Special Charges*.

We now have:

Income	(a) Sales Turnover.
	(b) Sundry Income, not from trading.
Expenditure	(c) Direct Material.
	(d) Direct Labour.
	(e) Factory Oncost.
	(f) Exceptional Trading expenses.
	(g) Company Overheads.
	(h) Fixed Charges.
	(i) Special Charges.

The next step is to build these up into a simple statement. One thing, however, must be remembered; matters must be so arranged so that we can adjust our figures for the increase or decrease of stock for the period under review. Our sales turnover may have been relatively poor, but our factory expenditure might show heavily in relation to that turnover, since much of what we spent was for goods that were not sold, but went into stock. Or the reverse may have happened—a high sales turnover with a low factory expenditure, as most of the sales came out of stock. Bearing this in mind, we can proceed with our figures, as in the statement opposite.

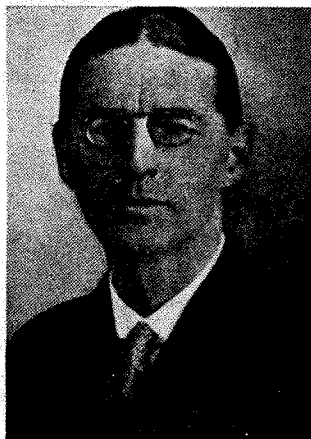
This is How You Determine Profit

The final showing is a net profit on the period of 10.2%. The managing director wants to increase this till he is making 12%, and by a consideration of the figures *he knows what to do*.

Twelve per cent of £7,185 (the total sales turnover) is £862; his present profit is £727, so he has to increase his profits by the difference between these last-named figures.

Where is the £135 to come from?

The special charges cannot be reduced unless a certain disused warehouse is let or sold, which for the moment seems impossible. Fixed charges represent interest on a bank



By T. G. ROSE, M.I.M.E.

loan, and here again no reduction can be expected for the time being. A careful study of the company overheads suggests that a little tightening up can be done without harming the general efficiency. Nothing much can be obtained from direct material, which is already at rock bottom; direct labour may possibly yield something, and the factory oncosts also, whilst the exceptional trading expenses, always erratic, must be kept lower in future.

The Right Economies can Now be Made

Considering the overheads, the managing director will decide that certain economies, insignificant in themselves, might make a substantial difference to the charges. Lighting, heating, and the

amount of stationery used are, for instance, always liable to be too expensive. Often some employee, instead of an outside firm, can clean the windows. This last may appear to be very small, but when a factory has a large area of window space, the yearly bill for cleaning is surprisingly large.

The exceptional trading expenses can be kept down, simply by a little thought on the part of those who incur

Much Can be Done to Reduce Oncosts

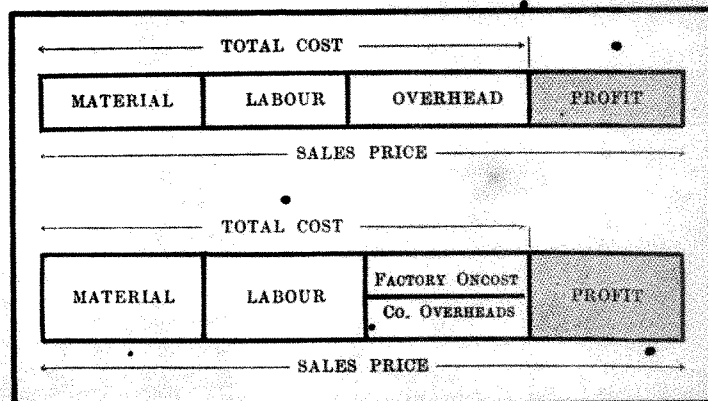
them. These persons are almost invariably executives in responsible positions, men who have an interest in the well-being of the firm, and who, because of it, will help in the reduction of these expenses.

Factory oncosts are difficult to manage, for they are in the province of the works manager, a technical man. Yet, he will probably be able to make some reduction in his expenses. As for the direct labour, this is frequently wasted. While no employer wants to dismiss his employees, it is imperative that he should see that every person is pulling his weight.

In the case of this firm, it was found that a certain amount of time was wasted in the loading of lorries, and by chance a man on this job was about to leave of his own accord, so he was not replaced. Another man on the same job was also transferred to make a new department which did all the cleaning formerly done by outside contractors, thereby reducing the company and factory overheads.

This Article Tells You—

1. HOW TO GET YOUR KEY FIGURES.
2. FROM THEM, HOW TO ADMINISTER YOUR BUSINESS TO GET A PRE-DETERMINED PROFIT.



Finally, the managing director found the necessary £135 in this manner:

Company overheads, a reduction of	£35
Exceptional trading expenses	£20
Factory oncosts	£50
Direct labour	£30
TOTAL REDUCTION ...	£135

The Statement of Account is then drawn up once more on these lines, and the percentage of the sales turnover allowable for each item of expenditure is worked out.

The next item is the planning of the forecast statement for next month. Observation of past results has made it possible to estimate with reasonable certainty the sales turnover for next month, in this case estimated at £9,000. Now, the percentage figures having been obtained, it is possible to fix the maximum limits for the main classes of expenditure during the coming month. If these limits are observed, then the required 12% profit must of necessity ensue.

When this has been done for a few months, a surprising accuracy in forecasting the profits or losses from various sales turnovers can be attained. By degrees, the expenditure can be cut down till it is at the very minimum which it can attain without injuring the business. If, when this is done, the results do not improve, then the managing director must look in other directions for the secret of his failure. A poor product cannot make a sound business, no matter what efforts are made by those who manage it.

Assuming that the product is good, this simple system of arranging the accounts will be found to be of great help. It is built up by common sense, and the managing director, studying it, can feel secure in the fact that he knows clearly what is happening, and can handle the concern with the same ease and safety as he drives his car. The categories of expense are his controls, and by manipulating these he can obtain the maximum of safety in the departments under his hands.

competitors' units. He was given no definite assignment, but simply instructed to observe all customers, and later to mingle with them, and talk to them when possible. He was to resist forming any conclusions, but report faithfully everything that he saw and heard.

It is as yet too early to say what positive results were obtained, but already an important *negative* conclusion has emerged. One of the factors that was supposed to be most effective in bringing trade to the chain proved to be of little importance. The directors may make a major change in the company's policy as a result of this one discovery concerning the shopping habits of its customers.

Not to Obey, But to Choose

Years ago I read this sentence on the mission of education by Professor Raleigh, of Oxford: "A certain amount of freedom to go wrong is essential in a university where men are learning, not to obey, but to choose."

Is this not equally true in training our assistants in the great university which is business?

Acorns

"Though youth is far behind me," wrote Lawter, "yet will I plant acorns. I do not ask that any man shall have obligation for the oak that may give him shelter and comfort—except an impersonal urge to plant acorns in his turn in the same spirit. As for me, it is enough to know that the oak shall issue and live for men who are to come."

Silence in Which to Work and Think

One of the companies I have contact with has recently installed a Silence Room in its offices, furnished with four tables and four chairs. The principle of this isolated, simply-furnished room is that any member of the organization who wishes to concentrate on a specific task can go into this room and work, undisturbed, as long as he desires. No telephone call can reach him there, no salesman can find him, no colleague can interrupt, for the first rule of this special room is that in it there shall be silence.

On the other hand, the men who use the Silence Room are not entirely isolated, for they can always leave word with the telephone operator that they will be "back" in an hour, or two or three, and their assistants know where they can be reached in a real emergency. This gives them all the advantage of being completely away from the bustle and confusion of the office, and yet in close touch with it.

Perhaps many other offices could instal a Silence Room to advantage.

THE BROADER VIEW

Puts Ideas On File



How much better could all of us do our various tasks if we were able to remember and use the many ideas and suggestions that we are constantly hearing or reading. A wealth of useful information flows through our senses. Some of it is retained; most of it is forgotten.

A business executive of my acquaintance has worked out a system for retaining the ideas that he feels may some day be useful to him. He reduces the essential idea to a sentence or paragraph, which he dictates to his secretary who types it on a 3x5 card, just the size to fit into a filing unit.

Once each month he quickly runs through these cards to see if any of the ideas are ready to be used. If any have, the cards are removed and plans are made for inaugurating the ideas.

This is a simple method for remembering elusive ideas and is very effective, for the very act of bringing them up for review periodically keeps them alive in the subconscious mind until a method of application suggests itself.

I dare say many business men—sales managers, office managers, advertising

directors, wholesalers and retailers—could profit by this simple plan.

Prime Ministers' Secret

The reason many of the petty problems that frighten small men do not floor big men is that they cannot attend to them. As a result, they attend to themselves, and by the time the big man gets around to worrying about them the need for worry has vanished.

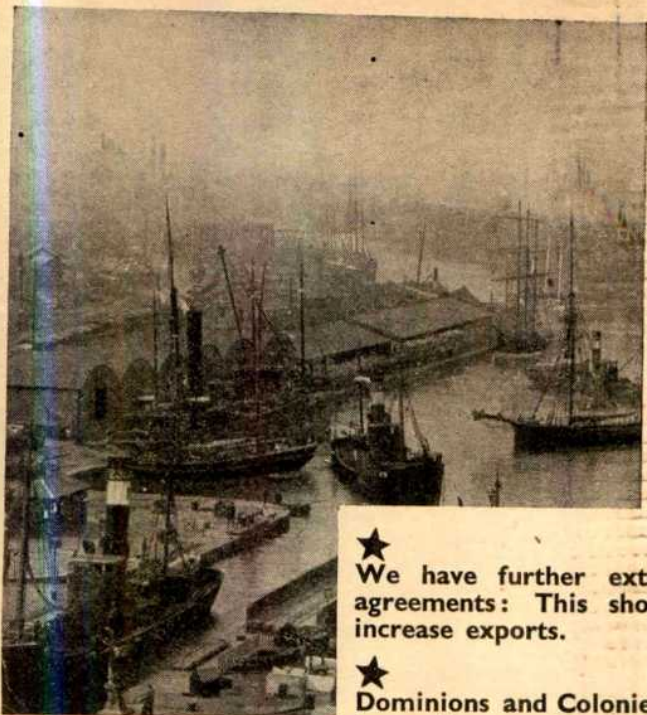
Probably this is one of the secrets of Prime Ministers and Presidents.

Not Satisfied with Charts and Statistics

The directors of a multiple shop system in one of the larger cities desired to find out more facts about their customers than could be gleaned from sales statistics and financial reports. They were looking for the more fundamental, and less tangible, factors of consumer habits, conscious and unconscious.

By
ROBERT
R. UPDEGRAFF

A novel plan was adopted to secure this information. A young man was employed to stand on the other side of the street from their shops and watch the customers as they shopped along the street, paying particular attention to the people who went into their



These 4 Factors are **EXTENDING** our **TRADE** **IMPROVEMENT**

★ We have further extension of trading agreements: This should assist us to increase exports.

★ Dominions and Colonies show progressive improving conditions; Similarly a better outlook for Exports.

★ The U.S.A. has definitely reached a period of increased activity (even though it may be temporary) and is buying more foreign goods; again more exports for Britain.

★ Improvement in our home trade is steadily extending into more industries and more districts; this induces greater internal activities.

The past month's business developments have been significant in this: they indicate that the British upturn in trade is spreading its base and is consolidating itself. The main indications are four, we give them in the adjoining panel.

Exports Up : Raw Material Imports Up

First of all let us have a look at the actual developments. Our exports last month were up by 8.2% or £2,400,000 on a year ago; by nearly 4% on a month ago. Imports rose by 20% or £10,760,000 over a year ago, of which 60% was in raw materials; by 2.7% on a month ago.

The full twelve months' import and export records indicate the trend of our trade more distinctly. Imports in 1933 decreased by 3.7% on 1932. But our raw material imports increased by 10% or £16,000,000, while foods and manufactures decreased nearly £40,000,000. Furthermore, our imports from Empire countries actually showed a small increase; and those European countries with which we have trade agreements showed a smaller decrease in their imports to us than any other foreign countries.

Exports for the whole of 1933 are 2% higher in volume than in 1932. Again all Empire countries, except New Zealand and Irish Free State, showed considerable increases in the exports they took from us. And again those foreign countries with whom we have trade agreements tended to buy more from us, especially Sweden, Finland, Denmark, Argentine.

This is therefore the trend that 1934 is likely to follow: increased imports of raw materials, mostly from the Empire;

increased exports to the Empire, to the countries with which we have or make agreements, and for special reasons mentioned below in the U.S.A.

Growth of Empire Prosperity

That these export increases should continue is again endorsed by two sets of facts. Conditions in the Empire, with two chief exceptions, continue progressing. Australia shows a favourable trade balance for 1933 of £41,000,000. Her wool is bringing her 80% more this year than last; her gold and silver mines nearly 60% more. In two years a national deficit of £10,000,000 has been changed to a surplus of £3,500,000 in spite of lowered taxation. She is saving £2,000,000 in interest alone.

Canada's trade records an increase of 43% in exports. The value of the exports of Canadian goods for January was £9,330,400 compared with £6,330,400 for January, 1933. The value of imports also rose from approximately £4,880,000 in 1933 to £6,497,000 in 1934. She had a favourable balance for the year of \$136,254,000. Her condition is sound, she is making the most of the Ottawa agreement, and buying more British goods.

In South Africa, in spite of Japan's competition and Italy's shipping subsidy, our proportion of her imports has

risen to the highest point in ten years. There has been an improvement in India's imports of our goods, which, in the present circumstances, should continue.

The only exceptions are New Zealand, where the low prices of her dairy products and the large volume of her overseas interest makes her a poor buyer for the time being, and the Irish Free State.

More Trade Pacts with Foreign Countries

The second set of facts that should tend to stimulate our exports are the extension of our trade agreements. The latest is the Russian commercial agreement which provides for a gradual balancing over the next four years of her purchases to us and our purchases from her. If we continue to buy as much from Russia as we did in 1932, then we ought to export £7,000,000 in 1934 more than last year and another £7,500,000 additional by 1937. This might provide a possible increase of an average £600,000 per month in our exports to Russia during the current year.

Trade negotiations will soon be started with France which cannot help, but improve our trade with her. Negotiations are proceeding with Spain which should lead to increased Spanish exports of British coal; the question is at present before the Cortes and details are not yet available.

The removal of all restrictions on the production of coal for export which, coupled with further quota and barter arrangements with overseas countries, should have the same result. A pact is being prepared between Lithuania and Great Britain, the former country requiring coal and offering dairy produce in exchange.

Increased American Trade With Us

The American situation has taken a significant turn in the last month. While the ultimate outcome of Government measures and experiments is still uncertain and cannot be foretold by anyone, a more definite forecast can

certainly be made now for the next few months.

The dollar is stabilized within a range of between 10% and 15%. The process of stabilization is not yet complete; the dollar may go lower in terms of gold, in which case the £ will probably follow it down part of the way at least. But, at any rate, a degree of exchange stability has been reached.

The Federal Government is taking power to spend or stimulate the spend-

ing of huge sums. This is bound, for a considerable time, to increase business activity, buying power, production and consumption of raw materials.

She is exporting more, for which the depreciated dollar gives an advantage. Her internal prices are rising; all her trade indices, such as production, retail sales, electricity consumption, are swinging upward.

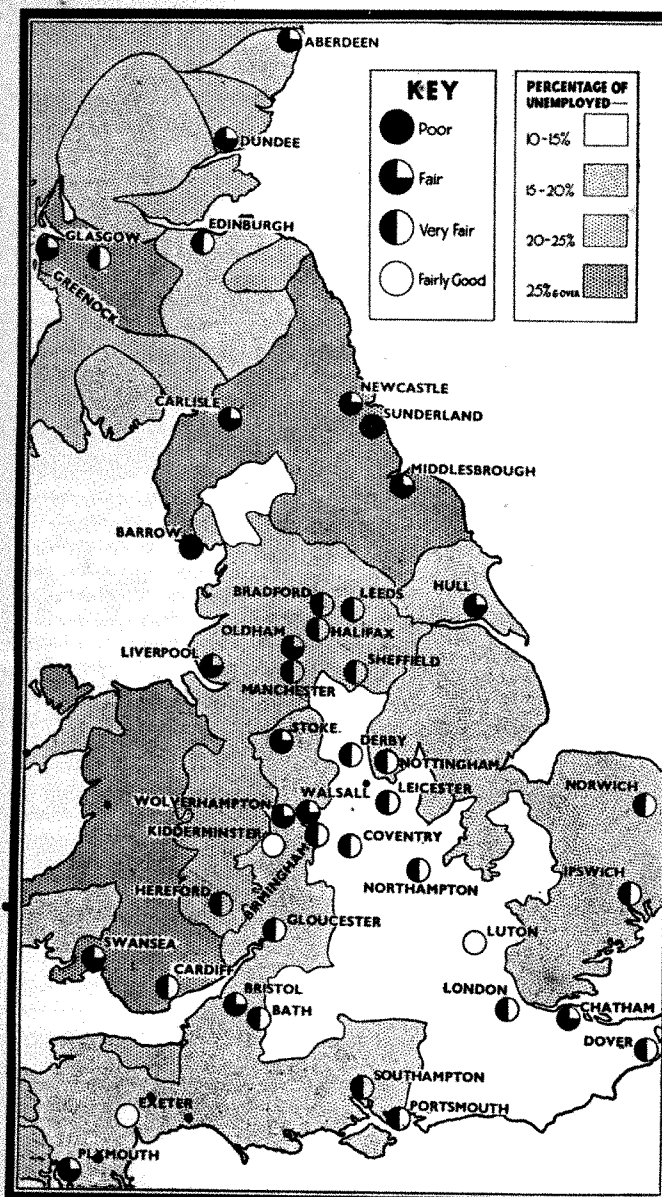
America is already buying more foreign goods; not only more raw

materials and so putting up the world price slightly, but also more foreign manufactured articles.

During 1933 American imports of British goods increased by nearly £4,000,000, most of it in the latter months. This tendency will last for some months.

Whether the American improvement will prove permanent, the beginning of a real up-turn, no one can say. It is doubtful. But, at any rate, while it exists we should take every advantage of it.

HERE IS THE SITUATION THIS MONTH



London District: Trade in this area continues to be fairly good. The slight increase in unemployment has not affected London seriously. Most of the large retail houses have reported satisfactory profits for the past year, a sure indication that there is a good deal of money in circulation. The hesitancy in the city which was remarked last month appears to have disappeared largely on account of the very good reports which have been issued by many of the big manufacturing concerns.

E. & S. E. Districts: Reports from the agricultural areas are better than last month. The area sown to wheat is 6% greater than at the end of 1932. The bad weather in December did not have any serious retarding effect. The unemployment among agricultural labourers is still high, and the situation in this respect demands attention. The few industrial centres are fairly prosperous, particularly those which specialize in sugar beet.

Midlands: This area continues to be prosperous. The motor manufacturers have not experienced the usual seasonal fall off in demand, and are still behind with deliveries. Engineering in all branches continues to make steady progress, and some firms have extended their plant. Birmingham is prospering.

W. & S. W. Districts: The steel industry is moderately active, though it is not working to full capacity. The South Wales tin plate industry has declined to 50% capacity, but promising inquiries and some orders have been received from abroad. Stocks have decreased considerably. Unemployment is still very high.

N. E. District: The iron and steel trade is expanding steadily, and more furnaces are shortly to be blown in. Bank clearings at Newcastle are up on last month, and the general position in this area indicates a real improvement in the near future.

N. W. District: A personal tour has shown that the condition of the cotton trade is not so bad as has been suggested, especially in the cases of the manufacturers of finer types of goods. Manufacturers are also attacking the problem of finding new markets. Engineering is sharing the general improvement.

Bright Spots at Home

Finally, our own latest trade statistics continue to point the upward trend. Retail sales have shown the largest increase over the same month last year that they have yet reached—4.1% up. Cost of living at 41 (which means 41% above the level in July, 1914) has gone down 1% during each of the last three months. Yet commodity prices are up 6.8% on a year ago and 3.3% on a month ago. Wholesale prices have risen slightly.

Electricity consumption continues roughly 10% above a year ago. The Post Office maintains increases in turnover, month by month, above a year ago. Increases in net profit and expansion of the telephone subscribers are nearly 10%; and 7% in the number of calls.

Unemployment showed the anticipated rise in January as compared with December; anticipated because there is always a spate of seasonal unemployment culminating in January, and 76,000 new juveniles came on the registers during this period. Even so, the drop in employment between this December and January was less than the corresponding drop last year. There are still 600,000 less unemployed than there were a year ago, and the figures next month will probably again show a decrease.

Good Prospects in Basic Industries

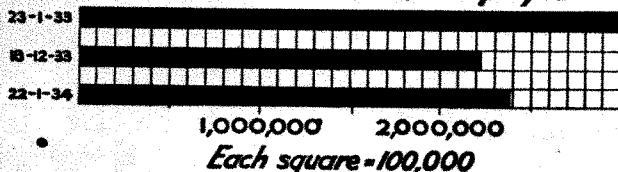
Internal activity is rising. According to the Board of Trade, 5.3% higher in 1933 than 1932, and nearly up to the 1924 figure. The output of manufactures was actually 3½% higher than 1924 and 6½% above 1933. Every group except coal showed an increase in output. In addition, the increase in imports of raw material, the increase in retail sales and in exports of manufactured goods, the decrease in unemployment compared with a year ago—all point to a definite increase in our total trade.

Even coal production is now up. Our improved industrial activity will increase domestic consumption; our trade agreements should increase exports; and the utilization of coal for new uses, such as oil production, should also increase consumption, so 1934 should see a continuance of this increased output.

The building trade is breaking all records; the last quarter reached the

UNEMPLOYMENT - DOWN

Number of Insured Persons Unemployed



highest point yet; the big increase in factory building being especially significant.

Pig-iron production was 8% up on the previous month and 5% up on a year ago. Steel output was up in similar proportions. The total production of pig-iron in January was 441,300 tons, as against 286,000 tons in January, 1933, while the figures for steel were respectively 711,000 tons and 444,000 tons. The tin-plate industry in South Wales is working only to 58% of capacity, though the stocks in hand have decreased very considerably on the stocks at this time last year. Further, good orders have been received from South America, Scandinavia and Canada.

The shipyards have more orders, and they are giving more employment. At present there is more than £7,000,000 worth of shipping on order on the Clyde, while there is increased activity also both at Belfast and on the Tyne. A low record for shipbuilding throughout the world was set up in 1933, yet the British percentage of world output was 27.2, as compared with 25.8 in 1932, so that this branch of industry appears to have reached the turn. Moreover, taking a view of the world output, while the total volume fell in 1933, the British shipbuilding industry increased its production by 106,044 tons.

General engineering, motors and the machine tool trade report increases. Rayon production is 15% up on a year ago and 55% on two years ago. The woollen industry is working overtime. The volume of trade, especially in the West Riding, is far in excess of that at the same time last year; exports in 1933 reached the highest figure on record.

It is easy to see why the woollen industry is prosperous. After the tremendous fall in our imports of woollen goods between 1931 and 1932 the imports remained fairly stable, the fall being only £32,185 between 1932 and 1933. Our exports in these three years have, however, varied only slightly, the figure being respectively £25,150,313, £24,003,792, and £25,582,104. Hence, we have between 1931 and 1933 a greatly decreased import of wool and woollen goods, and an increased export figure.

We Should Have Reduced Taxation

As a result of this increased internal activity, railway traffics in January increased by 8% over the year; provincial bank clearings also are 13.7% above the same month a year ago, no provincial centre showing a decrease.

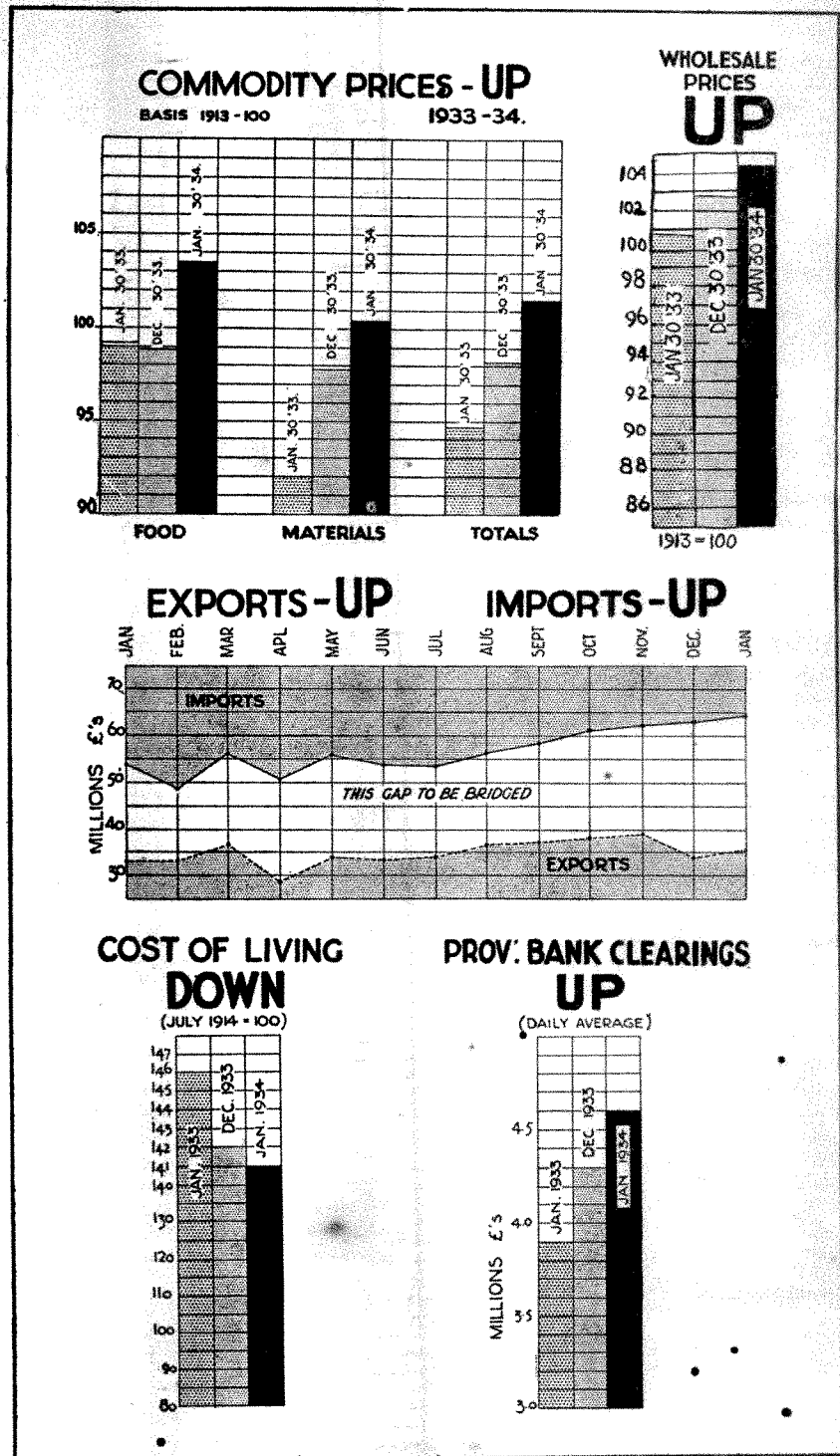
In 1933 our international balance of trade reached a virtual balance for the first time in many years, as compared with a deficit of £104,000,000 two years ago; a most significant fact.

The National Revenue will show a surplus this year. This must mean a reduction in taxation next year; for with a more prosperous year to draw from, the yield next year would be even higher than this year. It is to be trusted that the Chancellor will make

his calculations on that basis; it would give a still further fillip to business of all kinds.

From industrial centres throughout the country come reports of new indus-

tries established, new factories built, new collieries opened, more blast furnaces blown in, new ships laid down, equipment ordered and contracts secured.





NOW

Is the Future of Direct Selling

By F. WARDELL

Managing Director: The Eureka Vacuum Cleaner Co.

Any plan of sales operation must at some time reach its peak of effectiveness, and then gradually decline. When that happens, either the method must be altered or new methods must be developed.

Direct, or "house-to-house" selling is no exception. While direct selling is far from being at the end of its usefulness, we feel that most exponents of this method, ourselves included, must employ supplementary methods to keep volume at a profitable level. A limitation of the direct selling method arises from the fact that it can be applied successfully only through factory-operated outlets. These, of necessity, can be established only in the larger centres. This concentration in large cities almost invariably results in a neglect of

secondary markets which, particularly in a time of depression, are worked more easily and profitably than are the major cities—if a sound small-marketing plan has been developed.

Direct selling in the past forty years has enjoyed its greatest success following a business depression. This was true on 1894-1899, 1908-1912, 1921-1924, and it is true now. It is safe to assume that the inertia of buyers during these periods forced the seller to direct action, and it is likely that history has repeated itself. However, the manufacturer who is contemplating entry into the direct selling field, should first ask himself these questions:—

1. Is my product one that is suited to the direct selling method?
2. Have I sufficient gross margin to absorb the increased selling expense necessitated by this method?
3. Have I a definite and carefully-worked-out plan for hiring, training and controlling salesmen?

The Manufacturer Must Still Do the Selling

In the beginning, most direct selling in the electrical field was applied to specialties, which, because of their novelty and complicated mechanism, required exhaustive demonstration. As the market became saturated, as the public became familiar with these productions, and as other manufacturers, attracted by the pioneers' success, entered the field, the price trend was naturally downward. In many instances, the specialty apparently became staple, over-the-counter merchandise. This situation, where it prevailed, seemed to dictate a change to a dealer plan of distribution, but oftentimes this had not worked out satisfactorily.

While a product may attain such a degree of consumer acceptance as to assume the aspects of a staple, this does not mean necessarily that the percentage of voluntary purchases can be made to equal that obtained by direct selling. To put it another way, the manufacturer who has changed from direct-to-consumer distribution to dealer distribution frequently discovers that he still must do the larger part of the selling job to the consumer. The reason lies in the peculiarities inherent in the product. Let me illustrate: Mrs. Jones has a vacuum cleaner. It is ten years old. The motor still whirrs when she snaps the switch. The bag inflates. Surface dirt disappears from her rug—true, not so rapidly as when the cleaner was new, but with fair speed. She does not feel that she needs a new cleaner, or if she does feel that she needs one, there are other things she desires more—a new rug, or perhaps a fur coat. Always her "want" list is longer than her purse. This being true, Mrs. Jones, subconsciously perhaps, but nevertheless certainly, groups her wants into:—

- Group 1. Immediate purchases.
- Group 2. Eventual purchases.
- Group 3. Remote purchases.

From a selling and advertising standpoint the manufacturer's problem is to keep his merchandise in Group 1. The manufacturer who sells direct to the consumer can do this by keeping his selling attack so flexible as to be able to vary it as occasion requires; to increase man-power and advertising where markets are good or competition exceptionally virile.

When the dealer is interposed between the manufacturer and direct contact with the consumer, the selling plan and procedure must be changed if volume

is to be maintained, for the following reasons:—

1. Very few dealers concentrate on one line.
2. The dealer is interested in moving a variety of other articles, many of which are more profitable to him.
3. The dealer is not a "high pressure" salesman.

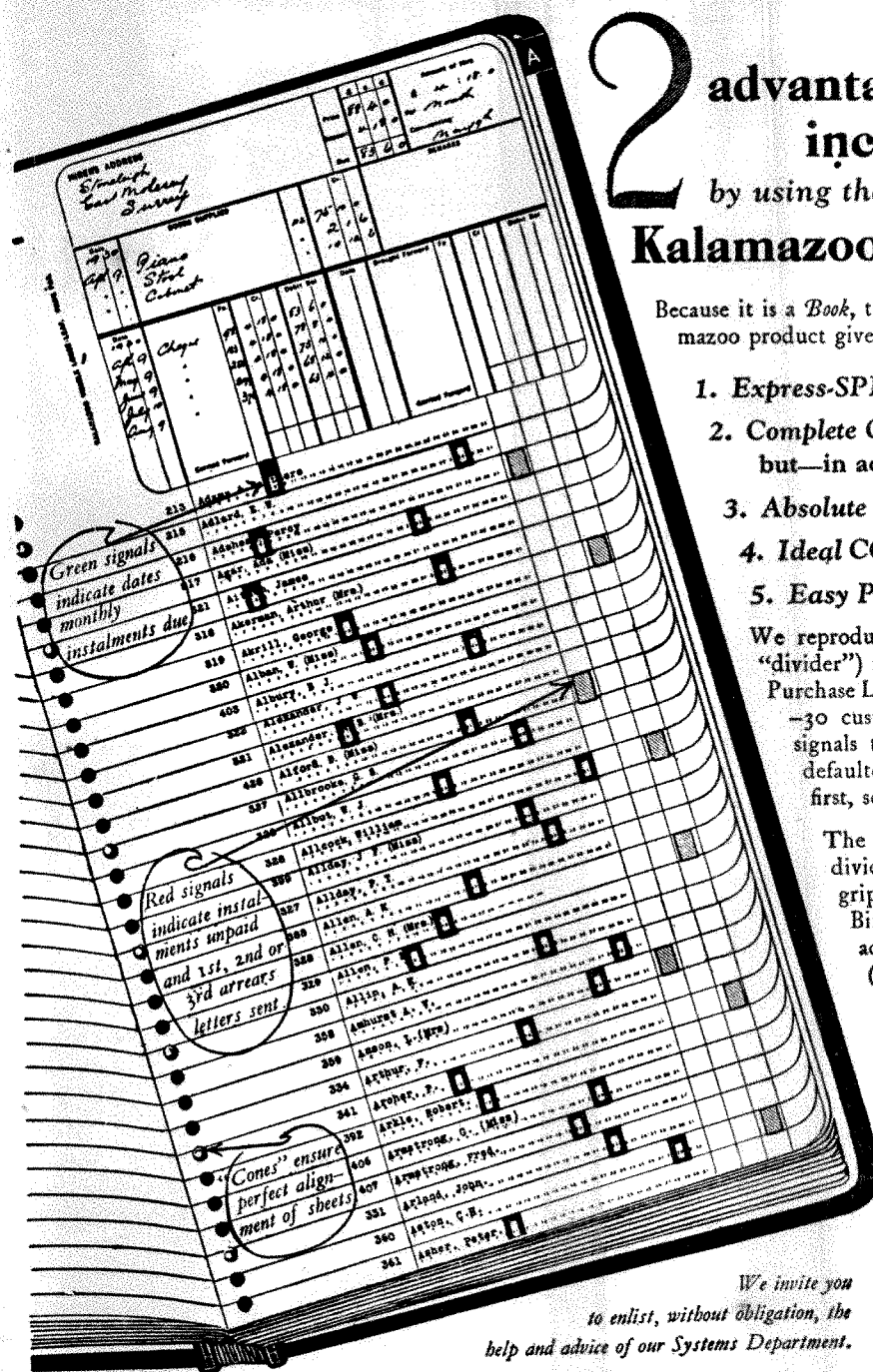
In brief, the dealer will not or cannot put the same intensive selling effort behind a product as does the manufacturer. These are the reasons for the statement that the real selling job remains the responsibility of the manufacturer who has been selling direct and switches to a dealer plan.

The Secret is to Have the Right Salesmen

Success by either plan, however, hinges upon supervision. The sales problem is essentially one of being able to hire, train and keep the right type of men. In this year, when business

NOTE THESE POINTS

- ★ Direct selling has not reached its peak, it is a powerful factor in securing volume, particularly on new specialties.
- ★ A dealer plan of distribution on specialties requires approximately the same selling effort and expense on the part of the manufacturer as distribution through factory branches.
- ★ Smaller territories, closer supervision and better sales training methods are essential to the success of the dealer plan.
- ★ The chief advantage of the dealer plan lies in securing more volume from secondary markets
- ★ Frequent rejuvenation of product is imperative.



2 advantages increased to 5 by using the Kalamazoo Visible Book

Because it is a *Book*, this remarkably successful Kalamazoo product gives you not only

1. **Express-SPEED** recording
2. **Complete CONTROL** of records but—in addition—
3. **Absolute SECURITY** of sheets
4. **Ideal COMPACTNESS**
5. **Easy PORTABILITY**

We reproduce here a page (proper name, "divider") from a Kalamazoo Visible Hire Purchase Ledger. A glance shows instantly —30 customers' names; also, coloured signals tell date each pays, who have defaulted and whether these have had first, second or third "arrears" letters.

The whole book is made up of such dividers, index-tabbed, punched and gripped, vice-like, in a Kalamazoo Binder. Capacity up to 1,400 accounts or records. The "cones" (see sketch) are a guarantee of perfect sheet-alignment always.

Indeed, Kalamazoo Visible is a perfect production sold at a price within Kalamazoo loose-leaf range.

We invite you to enlist, without obligation, the help and advice of our Systems Department.

Kalamazoo Ltd

(Proprietors Morland & Impey, Ltd.)

Head Office & Factory: NORTHFIELD, BIRMINGHAM.

London Office: 40, GROSVENOR PLACE, S.W.1.

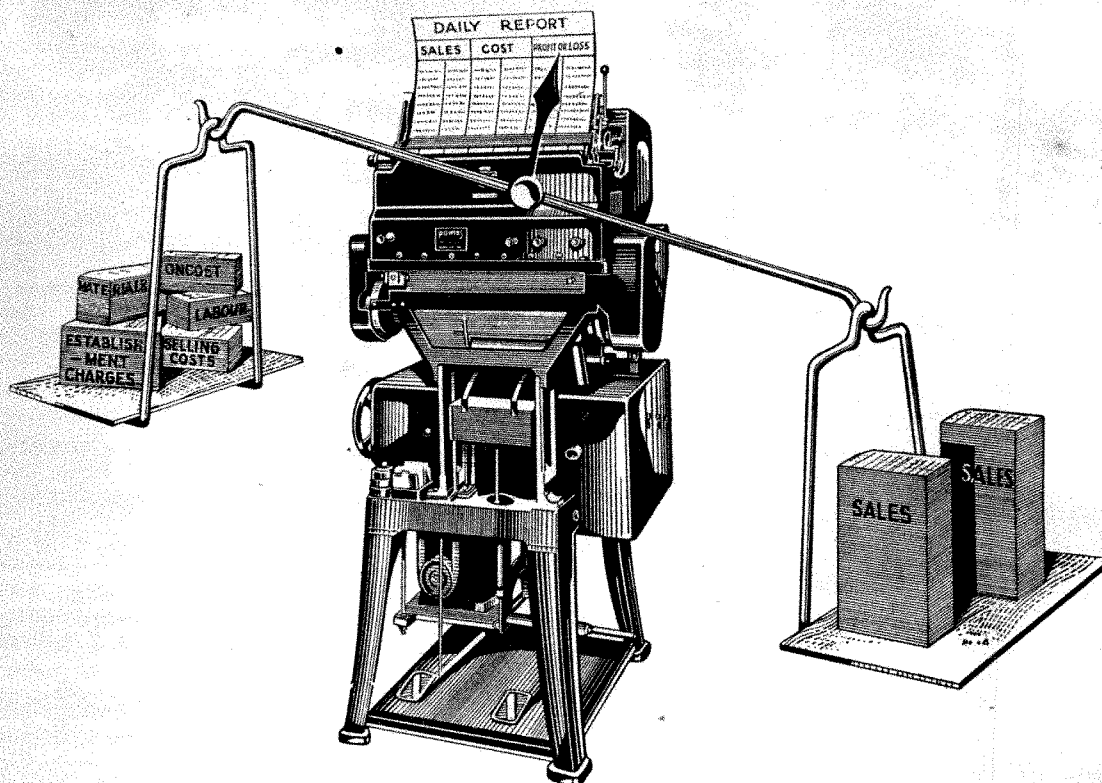
Branches in all leading Provincial Cities.

ACCOUNTS DEPARTMENTS will find Kalamazoo Visible a boon for **ALL LEDGERS HIRE PURCHASE LEDGERS OVERDUE ACCOUNTS STORES RECORDS** Etc.

Why not write for specimen sheets?

NOTE: All names in above illustration are fictitious and relate to no living person.

FACTS IN THE BALANCE!



Efficient control of business depends upon complete, accurate and up-to-date knowledge of the various factors governing profit and loss. Powers Accounting Machines are fact-gathering machines which may be applied to any phase of accounting. There is no department of business where Powers equipment cannot be employed in providing management with the accurate information so essential for right decisions.

Payroll and Wages Analysis : Materials and Stores Records : Stock Control : Manufacturing and Selling Costs : Analysis of Sales and Purchases : Invoicing : Statements : General Accounting—All can be performed better by Powers Punched Card Methods.

Write for full information to—

Powers-Samas Accounting Machines Ltd.
ALDWYCH HOUSE, ALDWYCH, LONDON, W.C.2

is spotty, we have made several changes in our supervisory staff that have helped our business. Most important of these was the appointment of more sales managers, instead of two. Territories were reduced materially in size, thus making closer supervision and concentrated selling effort possible. Quotas were established using a weighted index that discounted unfavourable factors and based sales expectancy only upon the cream of the market.

As our men had been trained almost entirely in direct selling, it became necessary to extend our training programme to include instruction on important phases of dealer contact and merchandising.

Finally—and this is vital—the manufacturer who expects to maintain volume on a specialty that, to all intents and purposes, has become a

staple article, must plan constantly to improve that product lest it become stale and uninteresting, both to the public and to his own organisation.

So much has been said and printed on this subject that it seems futile to reiterate so obvious a principle, yet it transcends in importance, in my opinion, any other phase of management for, in the final analysis, no method of distribution, no amount of clever advertising, no sales organization, can retain public favour for an article that no longer inspires enthusiasm on the part of the men selling it nor creates interest in the mind of the buyer.

It takes a panic to jar some manufacturers out of the old ruts and set their feet on new paths to prosperity. As a wise man said: "Sweet are the uses of adversity."

position offered is couched in terms of sound common sense and business accuracy.

The rule is, therefore, keep your advertisement to the minimum length necessary to include full details of the position offered. Do not exaggerate the possibilities of earnings to be made or promotion to follow, or you will gather a sales organization of discontented and disillusioned men whose primary object will not be to make sales for you but to find a better position for themselves, and that as quickly as possible.

Assume, for example, that you need men to sell a proposition connected with some particular trade, the furnishing trade. Naturally, you want applications only from men experienced in furnishings. In such a case I, personally, always begin an advertisement with the name of the trade or class of proposition for which I need men. This is how I should advertise for a salesman to sell furniture on commission only:

Furnishing. Traveller required to sell new type Bed-Settee. Must have connection amongst Retailers. Exclusive Territory given. Must be a smart, intelligent Salesman prepared to work hard in return for good remuneration. Commission only. Average earnings should be £6 to £7 weekly.

This is a straightforward advertisement which would, I think, attract the type of man I required. The salesman who will only work on salary would not apply. I told the truth—that I would pay on commission only. "Furnishing" would attract salesmen who had had experience in that trade, and obviously the most profitable type of man for a proposition like this would be the man with an existing connection amongst retailers who would not in consequence have to break new ground or have to pioneer on a new proposition. This policy and this type of advertisement can be adapted to almost any trade or proposition.

When advertising for salesmen, then, here are ten points to bear in mind:

Points For Finding Salesmen—

- (1) Begin your advertisement with the name of the trade or type of proposition for which you require a salesman.
- (2) Give details of what the salesman is required to do, whether he will sell on an established proposition or pioneer.
- (3) State any special trade qualifications or experience required.
- (4) If on salary, mention this next. If bonus, expenses or other monetary inducement is offered, be sure to include it.
- (5) If necessary, state qualifications you require in the way of character, intelligence, hard work, bonded or not, etc. What references are required.
- (6) Prospects (if any) should then be mentioned.

HOW TO SELECT SALESMEN THROUGH CLASSIFIED ADS.

By

BERNARD G. HOSIE

SALESMEN, TRAVELLERS, &c.

A BETTER OPPORTUNITY for SALESMEN to earn good income selling new popular-priced article with immediate prospects of promotion. Representation required in all London suburbs and Sussex areas.—Write or call, Industrial Patents Ltd. 287, Regent-st., W. 1. Phone Regent 1555.

A BIG CHANCE to earn from five guineas weekly. BELGOM LTD. have VACANCIES for a few SALESMEN.—26-28, Billiter-st., E.C. 3.

A BRITISH MANUFACTURING CONCERN invite applications from SALESMEN to call upon grocery trade in S.E., S.W. and W. London. Connection essential. Nominal salary, commission, and expenses.—State if discharged.—Write Box 550, c/o Pool's Advertising Service Ltd., 180, Fleet-st., London, E.C. 4.

A CAPABLE REPRESENTATIVE is WANTED by London firm. Unusual prospects. Must be able to approach all circles interested in world travels and to take orders for entirely new publication.—Write in confidence. A. C., Box 6453, Daily Telegraph, E.C. 4.

A COMPANY of years standing in the City of London require THREE SALESMEN for North Kent area to train for special sales campaign offering high remuneration and prospects for promotion. Selected applicants will be trained by experienced sales manager.

Advertisements under the "Situations Vacant" columns in any newspaper bring more replies than any other form of classified advertising. The unfortunate prevalence of unemployment—now happily decreasing—has, of course, been the cause of this.

The harassed sales manager, however, looking for new salesmen does not consider these colossal numbers of replies an advantage. He gets anything from 40 to 500 replies to his advertisement, and by the time he has sorted the wheat from the chaff, his choice from the applications received is usually quite a small one. In one or two exceptional cases I have known a sales manager to get over 200 replies to an advertisement, and even then find that not one applicant was the type of salesman with the necessary experience that he required.

The process of sorting out, scanning and classifying the applications is uneconomical and often a sheer waste of time which could be easily avoided if the "Situations Vacant" advertisement had in the first place been more carefully written and details of the

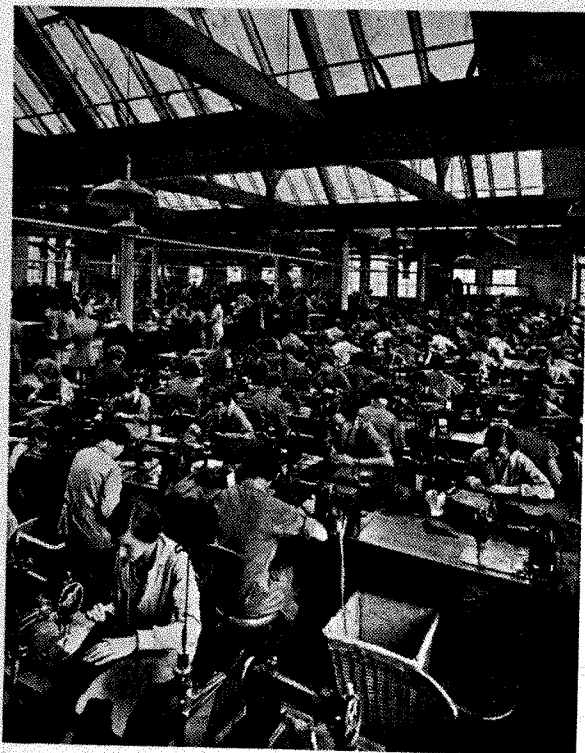
position offered made more explicit in the announcement.

With so many men looking for work, naturally a large number of them are tempted—perhaps driven by necessity—to reply to any and every "Situations Vacant" advertisement they see, regardless whether they have the experience or qualifications necessary for the position offered. The sales manager will want to avoid getting those replies and to get applications only from men who have some claim to be suitable for the job.

Tell the Truth when advertising for Salesmen

There is, too, another angle—a rather unpleasant one—that has of late crept into classified advertising for salesmen. I refer to the practice among certain organizations of inserting long rambling advertisements for sales representatives, making vague and often quite unfounded offers of jobs with earnings of £10 a week and upwards. They go even further and promise executive posts within a few months at high salaries, provided the applicant is successful. I refer particularly to those door-to-door canvassing and similar speciality propositions. What really happens, of course, is well known.

As a result many genuine, straightforward salesmen now regard advertisements with justifiable suspicion and are shy of wasting time and money in writing letters of application unless the



This workroom, though it is well-filled, has the maximum provisions for good lighting, heating and ventilation

This Welfare Policy Reduces **LABOUR** **TURNOVER**

The policy of this firm with regard to welfare work has been moulded by two considerations: First, seventy-five per cent of the labour employed is female; secondly, of this labour, a great proportion is juvenile.

Regarding the latter consideration, the sole object of the welfare work has been to improve conditions for the employees during the two years' training period, and to eliminate unsuitable elements before such elimination is too late to be of an advantage to the firm, or fair to the employees.

To carry out this policy, the welfare supervisor has entire charge of the engaging of juvenile labour, both male and female, and the following up, by means of very complete records, of each person so engaged during the training period. Any girl who successfully comes through the period of training is expected to be an efficient machinist at the end of it.

When an applicant for employment is about to leave the elementary school she is interviewed by the welfare supervisor, who gives her a very simple form to complete. By watching her actions in completing the form it is possible to gain a fairly complete idea of the girl's capabilities.

Having been engaged, particulars of the girl are recorded on a card (see illustration), which is given to the head of the department in which she works. The upper headings on the card are then filled in each month by the foreman, and handed to the works manager, who, together with the welfare worker, examines them to find out the relative values of the various employees.

This monthly overhaul weeds out the

unsuitable ones before they are too old to seek employment in other, perhaps,

from
an Interview with the
WELFARE SUPERVISOR
Thos.
MARSHALL & SONS Ltd. LEEDS

more congenial fields, and also gives an opportunity to star the outstanding ones or those who appear to have any ability in one particular direction. For instance, a girl was noticed to have a particular aptitude for embroidery; she was put to work on a machine for making embroidery where her work is original and creative. The knowledge that if a girl shows creative ability she will be allowed to try it has an excellent effect on the general standard of work carried out.

New Workers are Given this Special Introduction

It is one of the chief duties of the welfare worker to pilot new workers through the first days in their occupation. A new girl reports to the welfare office at nine a.m., and her cards or her birth certificate are deposited there. Then she is asked to contribute to the workpeople's hospital fund, as the others do. The question of the overall is then entered on. All the girls are required to wear overalls of a standard pattern. This is believed to have a levelling effect, for the petty jealousies which can be so acute among a crowd of very young girls, owing to the possession and display of finery by those who can afford it, or who have an in-

clination to ostentation, are serious detriments to the efficiency of the girls as workers. These overalls are obtained at cost price by the welfare worker and sold at cost price by her to the girls, who are not required to pay the whole cost immediately if it is not convenient to do so.

The efficiency of the young workers is, of course, impaired by poor food. Some time ago it was found that many of them were lunching on bath-buns and chocolate when a thoroughly good lunch was obtainable in the works canteen. Inquiry showed that this was because the price of the lunch was rather high, and that the girls preferred to use their lunch money for other less useful objects.

The welfare worker evolved a plan to make them get a good meal during the day. A system of weekly tickets, at a cost of 2/6 per week, was inaugurated. The cost price of the dinners for one week was normally 3/9, but on the recommendation of the welfare worker the firm paid the other 1/3 to balance the canteen budget. This was purely experimental, but the scheme has been continued, for the liveliness and speed of the workers during the afternoons has been so markedly increased since the scheme was floated that the firm finds the 1/3 investment per head per week to be more than justified.

The first-aid room is explained to the girls. The popular misconception that it is a harbour for those suffering a serious accident or sudden illness is dispelled, and its real object, that of preventing the minor ailments to which everyone is subject, is explained. Girls are encouraged to visit the room if they feel in the least unwell, for a dose or a rest in time can often prevent unnecessary absenteeism.

Before finally entering the department in which she is to work, the girl is taken on a tour of the whole factory, and the various departments and their relations with one another are explained, so that she is made to feel that she is not merely an isolated person doing unimportant routine work but an integral part of a highly complicated system to which she may be proud to belong.

The works committee in this firm is of remarkable constitution. The managing director is the chairman, and there are twenty representatives of the employees and only five representatives of the employers. Thus the former have more voting power than the latter. At its meetings, discussion is free and without prejudice, but this has a definite value for the firm, for, although members invariably begin with the subject nearest the hearts of the workers, the increase of earnings, they occasionally reveal flaws in the system which may be apparent to the operatives but not to the management. The complaints are always considered seriously by the directors, and, though they are not always rectified exactly as the committee hoped, when they are found to be justified, some action is invariably taken. The monthly meetings of the works committee constitute a monthly overhaul of the organization.

The Suggestion Box Was Not a Success

It has been stated, with truth, that successful future relationships are built on the foundation of contact, consultation, confidence and co-operation. All four requirements are fulfilled by the works committee. There are two other important functions of this committee. The suggestion-box idea was tried but proved unsuccessful. As a substitute, verbal suggestions are made either in committee or to the managing director in person, or to the welfare worker. These suggestions are discussed by the directors and the committee, and those which are taken up are rewarded in the usual way. Secondly, the workings of the old age pension scheme are discussed. This scheme is a one-sided



Monthly report on juniors indicates the right people for the right job.

The firm subsidizes meals for juniors, thus ensuring they are well fed at mid-day.

Works committee of 20 employees and only 5 management representatives.

This committee 'vets' the whole organization once a month.

60-page house 'Mag', Clubs, Camps, Socials, Pension Scheme, etc., all help the 'Esprit de Corps'.



affair. The employees make no contributions, for the large turnover in female labour makes this impossible. The directors set aside from profits such a sum each year as they think fit, which is added to the existing sum, and the fund is administered by four appointed trustees.

All employees of twenty-years' service with the firm are entitled to a pen-



sion of 10/- per week on reaching the age of sixty-five, or after fifteen years' service if the employee is physically incapable of continuing his occupation. These rules are not inflexible: they are interpreted in as wide a manner as possible so that individual cases cannot be excluded from benefits on account of technicalities. The fund appeals mainly to the male members of the staff; there are many men who, while not being executives, are nevertheless key men, and it is to the interest of the firm to keep them. This method, assuring their future, has been found singularly successful.

Roving Commission Essential to Welfare Worker

There are hard-and-fast rules concerning the manner in which a welfare organizer operates. The requirements differ with different firms. The welfare worker here has a roving commission, with easy access to departmental heads, and directorate. If co-operation with these points is lacking then the value of the work is seriously decreased. For instance, the firm runs a holiday camp for the girls during August. Last August, the welfare worker who was in charge of the camp noticed that two of the girls were below the standard of their fellows in physical and mental energy. These girls had been equal when they had been engaged a few months before; their present lowness of standard must therefore be due to some influence in the factory. When the camp was finished their records were consulted, and it was found that they

(Continued on page 36)

The history of every junior is recorded monthly on a chart such as that below. Through these reports the right people are fitted into the right jobs, a most important factor in the management of a manufacturing concern. Good mid-day meals, ensured to juniors by a cash subsidy from the firm, is another important point of management.

JUNIOR'S REPORT CARD									
SURNAME			CHRISTIAN NAME				ADDRESS		
Wage Book No.									
Date of Birth									
Date of Employment									
DATE	Matching-up	Messages	Baiste Pulling	Ticketing	Special Machines	Technical Instruction	Through Coat Machine	Signed	
DEPT.									
DATE	Time-Keeping	Neatness	Speed	Energy	Messa gos	Initiative	Intelli-gence	Willing-ness	Obedience
									Signed
DATE	Absenteeism	Health	Sick Club	SEASOL	Clubs	Library	Camp	Signed	
G - Good M - Moderate P - Poor									
To be filled in by Departmental Head and returned to Machine Room Manager on the first of each month.									

ALFRED PETERS, of Leadbeater and Peters, Sheffield

Every Article, every Plan and Idea published in **BUSINESS** is either—

1. Usable at once as it stands.
2. Usable after slight modification to suit particular conditions.
3. A motive force to start in your mind some train of thought which will solve that problem you have long subconsciously debated.

SAYS—

"This is What I get Out of BUSINESS"

I am the governing director of a fairly prosperous business specializing in the manufacture of spectacles, eyeglasses and other aids to sight. It might appear that this is too highly specialized a trade to be able to pick up hints from other businesses, but, as I intend showing, this is not the case.

As an example: The January issue of **BUSINESS** contained references to many types of trades, but not to mine. Yet I was able, by reading it through, to use quite a number of the articles and apply them, directly or indirectly, to my own business.

I Get News From The Advertisements

First the advertisements. Was there anything among them which I wanted and could afford? Was there anything which I would like but could not afford, and, if so, could I get any suggestion as to the best way of finding an adequate substitute at a lower price.

Yes, there was.

An internal telephone system was advertised. Ours needed renewing. As I read the advertisement and glanced up at the house instrument on my desk, I noticed that ours was out of date; it was quite twenty years old.

What interested me in the advert. was not so much the written description, but the picture of the instrument; it gave a visual something with which to compare the existing instrument on my desk. Usually, I think, this is so—the illustrations in advertisements are more dynamic than the copy.

Then the editorial contents. The striking thing about this page was the crowd of names of authors, every one of whom was an executive or a director of some important company. They were men to whom anyone would listen with respect. What had they to say to me?

Gave Me A Staff Training Idea

The first article on staff policy touched me on a sore spot. I have to get young men for

responsible positions in towns which I do not visit very frequently. Naturally, our firm tries to promote as far as possible from the ranks, but are we doing enough to urge the boys and juniors to aim at promotion? Can we do anything more? Of course, the Associated Equipment Company, about which the article was written, is a much larger concern than ours, and though their widespread methods of control are not entirely applicable to our firm, the kernel—the idea behind them—must be applicable to any firm. So what can we do?

Here, personal pull outside business comes in useful. It is possible to arrange a course at the City Evening Institutes for these boys; we can get reports on their work, we can watch their development outside the firm. By paying for the courses, we can make sure that they attend it; we can educate them for executive positions in theory as well as in actual practice and plan for twenty years ahead. I, personally, am the second generation in this business, and I have no wish that it shall die when I die; I want it to go on, and this is the way to do it.

Scotched An Old Alibi

The next article was devoted to methods of promoting keenness and endeavours to prevent wastage. As far as the former is concerned, we have little to learn, for, frankly, I think that our co-partnership scheme is the best possible method of promoting keenness.

As far as the latter is concerned, we come up against a thorny point. Our Works Manager is commendably cautious; he is a technical man, and has sole control of the money spent each year in improvements to the plant. But his caution is sometimes too great. For some time I have been trying to persuade him that a conveyor belt would save time in the works, and this article brought that to my mind again. I made a note to see him about it at once and to urge him to push the matter through this time, or die in the attempt.

The next articles on "Plans for 1934" were of no direct use to me. They did indeed cause me to ask myself: What

are my plans? And when the answer was very vague, to ask a second alarming question: Have I made any? Examination proved that I had, but that they were not scientifically or accurately worked out. That also was to be attended to.

Trade Positions In A Nutshell

The "Trend of Business" section was interesting for the general information it contained, and the almost snappy purview of the whole of the industrial situation which it gave. The business of every man is influenced to some extent by this situation. The "Trend of Business" showed us just where we stood.

The next article on Sales Promotion happened to be written by a man who is a personal friend of mine, so I knew beforehand all the material contained in it. It appeared to be a very good article, but I cannot say that I was

HOW DO YOU Read 'BUSINESS' ?

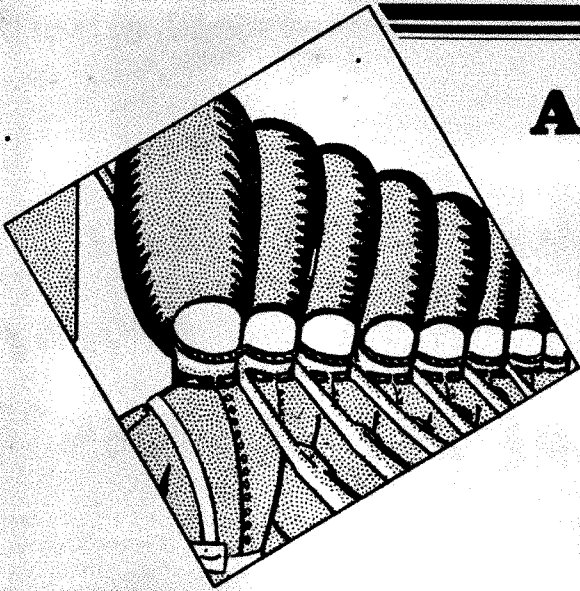
able to read it impartially. Still, the conclusion that by standing up to the trials and difficulties the author had defeated the years of depression would doubtless make other business men read it with very close attention.

The next article on travellers' cars was not of interest to me. We have no travellers, but I cut out the table of estimated costs for running a car, as I frequently use my own vehicle for business purposes, and the comparison will eventually be interesting.

A.B.C. Of Stock Keeping

I could not praise too highly the next article on the stockrooms of the General Electric Com-

(Continued on page 35)



A SUCCESSFUL LINE of Attack

is achieved only by uniform method. Similarly executives are realizing that a well-planned office with Standardized Equipment stimulates orderly and constructive work which increases profits.

Shannon Standardized Office Equipment provides a wide range of appropriate models in wood or steel for offices of all sizes and types.

BOOKLET 504 on the profit producing potentialities of the modern office sent FREE to principals on request. It will help you lay out an attractive, efficient office to meet your individual requirements, or an office planning expert will call by appointment, and without any obligation to you. Telephone: Temple Bar 7175

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LIMITED

Standardized Office Equipment

Imperial House, 15-19 Kingsway, London, W.C.2

And at Birmingham, Bristol, Glasgow, Liverpool, Manchester, Newcastle-upon-Tyne and Cairo (Egypt)

BELIEVE IT OR NOT . . . !

FREE Advice and Help on the following Business Subjects

Office Layout	Floodlighting
Office Equipment	Lighting
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Accountancy Methods	Mail Order
Account Collection	Sales Promotion
Transport	Business Finance
Window Display	Salesmanship
Sales Letters	Staff Management
Printing	Office Organization
Advertising	Factory Organization
"Where-To-Buy" Index	Mechanical Handling
Outdoor Publicity	Costing
General Business Enquiries	Staff Welfare
Retail, Wholesale, Office or Factory	Marketing
	Packaging

10/6 per annum will bring you a Business Advisory Service without parallel in this country at the present time. This comes through—

THE BETTER BUSINESS ASSOCIATION

THE Better Business Association has been formed to provide for the interchange of ideas and methods amongst British Business Men with a view to improving individual efficiency and advancing the interests of British trade and commerce as a whole. Also to provide business men and executives with a real Business Advisory service, which has never before been possible.

Applications for Membership are invited from progressive Business Men and Executives. The ordinary subscription is one guinea per annum, but, by special arrangements with the publishers of BUSINESS, postal subscribers to the journal will be admitted to the association with full privileges of membership at a reduced . . .

Subscription of 10/6 only

Applications for Membership with Subscription of 10/6 should be sent to the Secretary

BETTER BUSINESS ASSOCIATION
6, CARMELITE STREET, E.C.4



Right through the Fabric
of Commerce and Industry
run the threads of Insurance

**THE ROAD
TRANSPORT
& GENERAL
INSURANCE
CO. LTD.** take just
pride in their well
equipped new Head
Office at Hyde Park
Corner, and in the
successful methods
which have led to ex-
pansion of business.
Now operating more
than

60 EDIPHONES

... and well-attuned to
the scientific methods of
modern Insurance is
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vances in the design of the
PRO-TECHNIC Ediphone
include a new recording unit
of unsurpassably lifelike tone
and several other features
of practical improvement.

Write for particulars:

THOS. A. EDISON LTD., Victoria House,
Southampton Row, London, W.C. 1.

• Branches and Dealers in all principal cities.

Pro-technic

Ediphone
Balanced Voice-Writing

Fanfold's Labour Saving Stationery Systems

**ELIMINATE UNPRODUCTIVE LABOUR
IN HANDLING YOUR MULTIPLE FORM
WRITING**

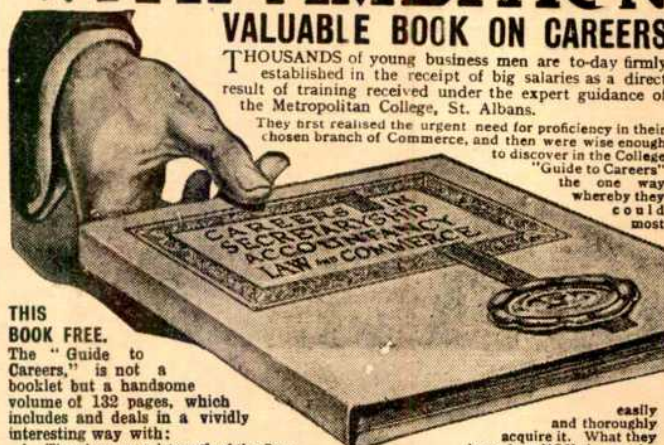
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save you £1 . 6 . 8 on every 1,000
Multiple forms completed in your
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NORTH CIRCULAR ROAD, LONDON, N.W.2
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The "Guide to
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includes and deals in a vividly
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the prospects therein.
2. The Examinations of the several
professional Accountancy and Secretarial
Societies, the Institute of Cost and Works
Accountants, etc.
3. Professional Preliminary examina-
tions, Matric., Bar, London University
Degrees, etc.
4. How to enter for these examina-
tions — subjects — fees — exemptions,
etc.
5. The best method of study: special-
ised postal training, taken at home in
spare time—specimen study notes.
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obligation—a copy of the College 132-
page "GUIDE TO CAREERS."

G9.

NAME.....

(In Capitals)

ADDRESS.....

Business,

March, 1934.....

METROPOLITAN COLLEGE Dept. G9,
ST. ALBANS



The Small Office Can Save Money by 'Going Modern'

The main point to consider is not what a new office machine or system will **COST**, but what it will **SAVE**. This small office installed five new appliances, all of them quickly saved more than their cost, and, of course, they are still saving. Any small office can make economies and get better work in this way

Office managers and business men to-day realize the vital necessity for scrapping old equipment and systems which no longer pull their weight. Users of business machinery of all kinds are no longer dominated by the price fetish. What they want to know in the case of a machine or a system is: "What will it *save*?"

A colleague told me the other day of how a mechanical cheque-writer saved five hours a week of the time of a £500-a-year man in his firm.

In my own concern we recently spent £125 on an office printing machine. On this machine we can now, for a shilling or so a week, print our modest House Organ which formerly cost us £170 a year at an outside printer's.

In addition to the House Organ this same machine will save us almost as much by enabling us to print in the office internal forms of all kinds, and even many of the pages for our loose-leaf record books.

The Office Printing Machine Cuts Stationery Costs

This machine will also enable us to increase considerably the effectiveness of our correspondence to salesmen in the field by enabling us to enclose dramatically-drawn charts of their results, "pep" messages and so on.

It will also help us to increase the value of our direct mail publicity to customers and prospects by making it possible to include special leaflets, folders and price-lists drawn up on last-minute information. We should not be able to include these if they had to be printed outside, as formerly. The time required would be too great, also in many cases it would prove too costly to send out this incidental stuff.

Many times, too, we want only small runs of stuff. It is uneconomical to spend time drawing up this kind of matter for type-setting by a printer and then having only a few hundred copies run off.

Another modern method we have introduced is a visible card index system, complete with coloured signals

which shows the position of all our travelling salesmen and our retail and wholesale agencies. This improvement, we have calculated, saves over 2½ hours every day in one way and another.

In our mail room we have brought about a change which is nothing short of a revolution.

By
HUGH ALLEN
Managing Director
ALLEN, McGUIRE SONS & Co.

Our outgoing mail averages three hundred pieces daily—exclusive, of course, of postal publicity campaigns. One senior and one junior girl used to look after this department. They received all letters flat, that is, they had to fold, insert, seal, stamp and record them. This took up the whole of their time from 2.30 till 6 p.m., as there were many foreign letters and quite a number of small parcels.

A few months ago we put in an electrical letter-sealing machine and a

franking machine. The whole job is now done by the two girls in less than half the time. The remainder of the time they help in the filing room and on various odd jobs. By these two girls being released, even for such a comparatively short period, we have been able to avoid replacing two girls from the filing room who left. One of these girls was formerly paid 25/- a week and the other 28/-. Thus a saving in wages alone of £2/13/0 a week by a letter-sealing and franking machine.

Keeps The Petty Cash Account Straight

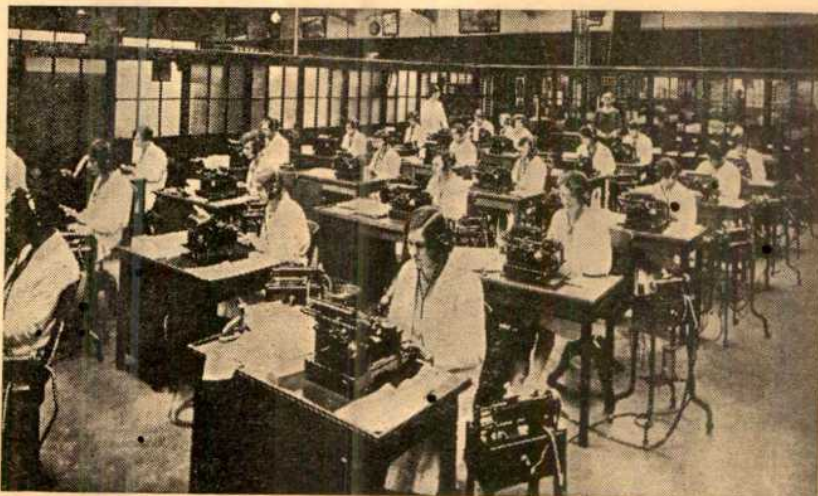
In addition to that saving, of course, we get the benefit of a quickly completed and accurate stamp account every day; no losses, no queries.

We have not yet put in a letter-opening machine. Our present arrangement is that all in-going mail is distributed straight to the departments where executives, or rather their secretaries, open their own letters.

This method has proved satisfactory up till now, but one never knows the advantages of a new method until it has been tried.

Our next experiment, therefore, will be to instal a mechanical letter-opener on the mail desk, open all letters there and distribute them to the departments ready for action.

(Continued on page 36)



Steadily, year by year, Cadbury Bros. increase their number of dictating machines. Here is the transcribing room and some of the typists who handle the work of 80 dictators. The type of dictating and transcribing apparatus used here is the same as recently installed by the L.N.E.R. for the use of business men using the London-Newcastle expresses

This Idea Gives BETTER LETTERS In Shorter Time

A large selling house marketing several mechanical products had to deal daily with a huge volume of correspondence. Most letters in this huge mail touched upon several subjects and so each individual incoming letter had to be dealt with by several different departments of the firm before a reply could be sent.

To get the information necessary for replies the letters were circulated to the various departments, where a responsible individual in each dictated his own appropriate information on a standard memo and attached it to the letter.

By noon these letters would be back in the central correspondence department ready for dictation. By centralizing the answers to complex letters in this way, the firm achieved a certain amount of standardization in their replies. Customers were relieved of a common source of annoyance, that of not having all their questions answered at one time.

It was found, however, that as there had to be at least ten separate dictators of these letters, replies on the same subject were still handled very differently by the various individuals.

Classified Items and a Paragraph on Each

An analysis of carbon copies of letters sent out over a period of three months showed that nearly all the correspondence related to certain definite matters. The office manager considered that if these subjects were clearly defined a number of standardized paragraphs could be evolved to meet all conditions.

Thus a system of "form paragraphs" came into being.

First of all, the subjects were classified and listed, and then from beginning to end new paragraphs were dictated to cover every phase of each subject that had been brought out in the analysis. Care was taken to start and end the paragraphs so that they would fit naturally with other paragraphs or would stand alone.

When this work was done every paragraph was taken up with the department which was expected to use it. Whenever necessary individual paragraphs were revised. As finally used, they bear the O.K. of all department heads.

The paragraphs were bound in book form, and a copy was given to every dictator and to others who had occasion to write letters.

By this means the entire correspondence of the company has been standardized and is, in fact, the product of an expert letter writer.

In this system each paragraph covers just one point and fits naturally into a letter before or after almost any of the other paragraphs of the series. Consequently,

'Form Paragraphs'—that's the basis of this idea. In a large correspondence department it saves hours of time

By
ANDREW DENTON



quently, the dictator who has grown familiar with his book can instantly connect the right combination of paragraphs to fit any case.

When a dictator dictates he simply

NEW TELEPHONE SPEED-UP APPLIANCE

No longer is it necessary to "dial" frequently used numbers on the automatic phone circuits. A new instrument, far simpler, is taking its place. A quite small box-like arrangement is attached at the base of the instrument. On this are placed 25 or 50 selected names. To connect with any one of them it is only necessary for the user to slide an indicator opposite the required name and the connection is then automatically made by depressing a single key.

Names not on the new instrument can, of course, be dialled in the ordinary way.

The new instrument is the Autodial and all subscribers on the automatic exchanges will soon be able to get it from the Post Office Telephone Contract Department.

The Autodial is also suitable for private automatic exchanges in business houses for which purpose it is being handled separately by a Croydon firm.

indicates the number of paragraphs and the order in which he wants them used. The only actual dictation he gives merely covers any fill-ins that have to be made. Thus a great deal of time in the correspondence department has been saved.

Even more important, however, is the high quality of all letters leaving the house. Each paragraph has been carefully worked out, and in its final shape bears the approval of the management. Naturally, such paragraphs are far more effective than any which the ordinary correspondent would dictate off hand. Remember they are the product of the most careful consideration by experts.

This firm considers that a customer worth securing is certainly worth keeping. It considers that one department is as responsible as another for this, and that every department is a sales department, regardless of its name, and every letter that issues from the firm should be a sales letter in one form or another.

The idea of standardized paragraphs written by an expert goes a very long way towards raising the tone and standard of the entire correspondence.

Not content with this, however, the chief executive of the correspondence department keeps a double check by insisting every night in extracting from the day's outgoing mail a dozen or so carbon copies of letters, taken at random. These he reads over before going home, or he puts them into his bag and reads them in the train.

None of the dictators in the department know which letters will thus be drawn out for checking, so naturally they take care that no "loose" ones are allowed to go. They make every letter a hundred per cent effort.

An additional idea used in this department seems quite worth mentioning here, as it obviates a great deal of wasted stationery.

This Idea Reduced Cost of Envelopes

Dictators often have to enclose with letters a blueprint, folder, booklet, instruction sheet, or something like that. The typists do not always know what size package the letter will finally make, and formerly they used often to address the wrong size or kind of envelope.

The entire range of envelopes was numbered, and now when a dictator has completed a letter he indicates the appropriate envelope by quoting its reference number. Enormous numbers of wasted envelopes have been obviated in this way.

In conclusion, it might be mentioned that the "form paragraph" idea is especially valuable to the manager of the small office who often feels that other activities, selling perhaps, are more profitable to him than letter writing. For such a man proper form paragraphs will cut the time required for dictation to the minimum, provided, of course, that the dictator knows first of all how to construct his form paragraphs and then how to use them.

SIEMENS

"NEOPHONE"

PRIVATE TELEPHONE SYSTEM

Keeps you in touch with every department



MOST
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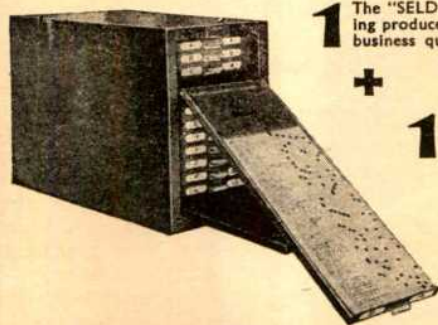
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The System that

ENSURES
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SUCCESS



The "Addressall" Indexograph is a combined record control and addressing system that embodies the highest degree of efficiency and accuracy of any process in the world of mechanical addressing.

The unit is entirely one-piece, containing no metal and with both sides available for recording purposes.

Its uses are innumerable. For the small business as well as the large the Indexograph is indispensable. Used in conjunction with one of the many types of Indexograph machines all classes of mailing matter can be carried out accurately, efficiently and without the need for skilled labour.

Please write for Leaflet S.1. No obligation.

ADDRESSALL INDEXOGRAPH

ADDRESSALL MACHINE COMPANY

266 High Holborn, LONDON, W.C.1

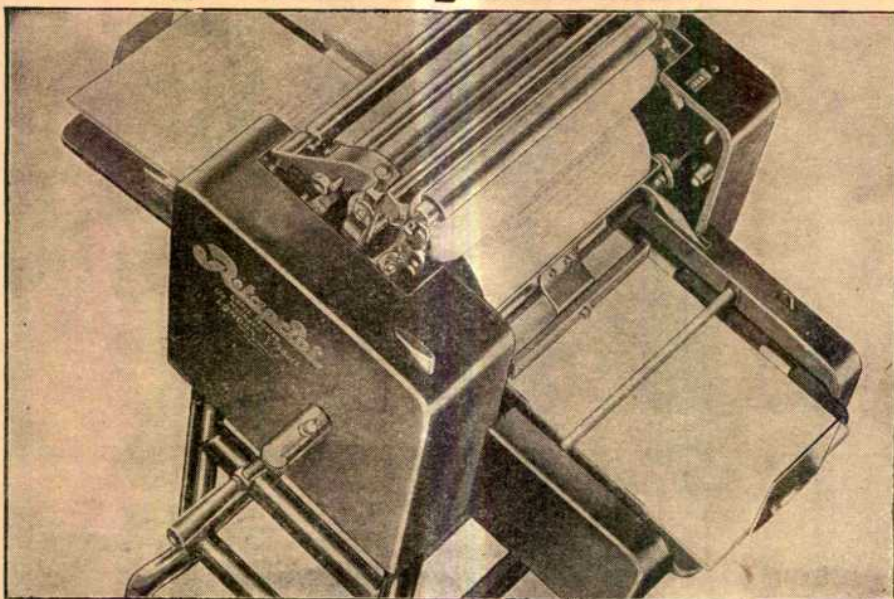
TELEPHONE

HOL. 3571/2

Rotaprint!

Improves Quality...

Cuts Costs...



Do you appreciate how easily first class print can be produced with the right equipment, or realise that it can be produced in your own office, by your own staff—at a saving of 50% or more? That Rotaprinting is as simple as your routine office work!

ROTAPRINT is the only Office Printing Machine of its kind on the market. It dispenses with stencils, typesetting and electros required with other machines. For this reason it is inexpensive and easy for office use.

Allied with your selling force it is a great business builder. It enables you to supplement the endeavours of your sales staff with well produced opening and follow-up letters: It tells your story in pictures produced in first class style. It prints all your Letterheads, Invoices and Statement Forms, internal forms and print of all kinds at very great reductions in cost. It accomplishes with ease all that other machines can do and much which is entirely outside their scope.

It makes you money!

It is, in fact a proposition well worth investigating. Why not write or 'phone for more particulars to-day, while it is in your mind.

Kaye's ROTAPRINT Agency, Ltd.

CECIL HOUSE, 57a HOLBORN VIADUCT, LONDON, E.C.1.
CENTRAL 5655 (4 lines)

Also at: BIRMINGHAM, BRISTOL, GLASGOW, LEEDS, MANCHESTER
NEWCASTLE-ON-TYNE and SHEFFIELD

I'M SORRY, SIR, HE'S ENGAGED! PLEASE SIT DOWN?



On the desk of the Chief or other Executive is a small box. On the desk of his Secretary or Receptionist, or in a convenient position in the Staff room, is an Indicator. The

Chief, operating a switch on his Box, sets the Indicator. Should the Secretary or Receptionist wish to communicate with the Chief without interrupting him, by touching a button she can learn whether she may enter, or whether he is "Engaged" or "Out" without having moved from her place.

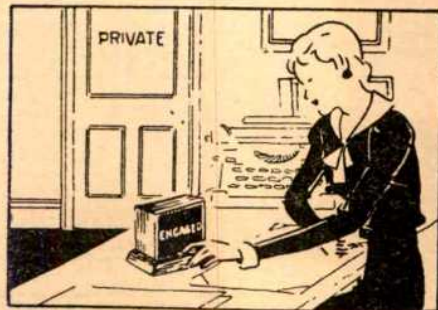
BY ELIMINATING INTERRUPTIONS AND MINIMISING WASTE TIME, CARTONIA INDICATORS ARE SAVING AS MUCH AS A MONTH A YEAR FOR MANY BUSY FIRMS.

The cost of the CARTONIA INDICATOR is surprisingly low.

Maintenance Charges are Nil.

Some prominent users:—Recorder Press, Polytechnic, Cow & Gate, Street's, Foyle's, Caslon's, Rayon's, National Building Society, etc.

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MELBOURNE HOUSE, ALDWYCH, W.C.2

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Temple Bar 2531

To-day's Business Demands . . .



To-day's Modern Equipment and Services

They were there, at the British Industries Fair, the latest and best of those modern appliances, systems and services which the control of to-day's business demands.

Last year the British Industries Fair was held at a time when manufacturers and business men were *hoping* that trading conditions were about to improve.

This year these hopes have been realized; things *are* better.

As a Home and Empire collective selling effort the B.I.F. again attracted the year's greatest gathering, in this country at any rate, of buyers from all over the world. It is significant, therefore, to note that again, as at each successive Fair, increased space was devoted to the display of the "tools" of business. That is, apart altogether from consumable products, business equipment and services to make the management and control of all business routine easier, speedier, more accurate and at the same time less costly.

Whatever their particular line of business, thousands of readers of this paper found a visit to the B.I.F. well worth the time and outlay if they did no more than examine the Business Equipment section alone.

As a brief indication of what this widely comprehensive section had to show, we can mention the following:—

The British Cash Register Co., Ltd., of Grange Rd., Willesden Green, London, N.W.10, showed a new type of British-

made cash register which has the outstanding advantage claimed for it of being one-third lower in price than any cash register of like capacity on the market. This machine is also claimed to be much less complicated, mechanically, than any other machine of its type, a fact which makes it completely trouble-free.

Another outstanding feature of this register is the greater ease of keyboard manipulation and the fact that the operator can read figures while the finger is actually on the key. In other words, the fingers do not cover up the key figures.

A new and inexpensive vertical filing cabinet, constructed by a famous firm of safe and fireproof office equipment engineers. With this exhibit were also complete ranges of fire resisting cabinets, clothes lockers, shelving, storage bins, etc. **Milners Safe Co., Ltd.**, 12 Newgate St., London, E.C.1.

The need for accurate time-keeping throughout every department, both inside and out, of an organization is well known. A complete range of synchronous clocks for A.C. mains was therefore of great interest. In the Temco range it was seen that any number of clocks, in addition to the master, could be included in a circuit, as also could several time recorders, automatic bell-ringers for work shift signals and so on. **The Telephone Manufacturing Co., Ltd.**, Hollingswood Works, West Dulwich, S.E.21.

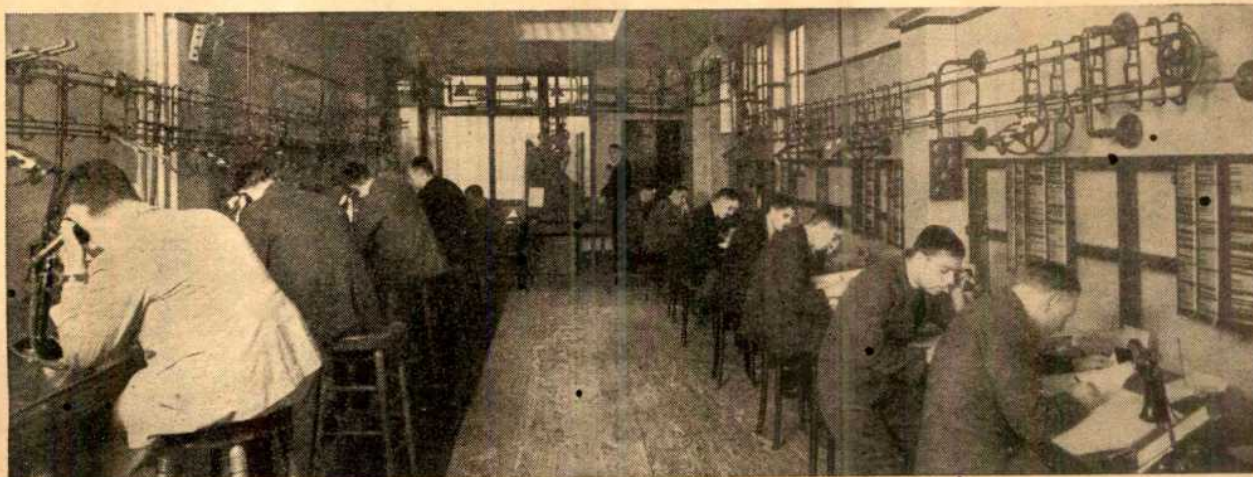
A range of office pastes of every kind, together with writing and drawing inks, inks for rubber stamps, typewriter ribbons and all kinds of similar office necessities, formed a most interesting display on the stand of **Henry C. Stevens, Ltd.**, the famous ink manufacturers of 57 Aldersgate St., London, E.C.1.

Few brands of stationery are known better than the famous "Butterfly" of **Samuel Jones & Co., Ltd.**, Bridewell St., London, E.C.4. On this stand the business man was able to gather some idea of the enormously wide range of profitable uses to which well-designed adhesive labels and tape can be put.

The latest steel tubular office furniture upholstered in any colour to choice and selling at an attractively low price, was a feature of the stand of **J. B. Brooks & Co., Ltd.**, of Birmingham. Here also were cupboards, shelving, storage bins, counters, lockers, etc., of the modern "Evertaut" steel brand.

An illustration of the largest board-making machine in the world, 50 feet high and 2,000 tons in weight, were among the exhibits which give an idea of the size of the **Thames Board Mills, Ltd.**, Purfleet, Essex. On this stand the business man who was concerned with any aspect of packing found the exhibits of absorbing interest, for there was everything from the

(Continued on page 37.)



This automatic "pick-up" and delivery carrier is a type specially suitable for busy offices as it can handle anything from a single memo to a bundle of documents. Papers are placed on a despatching tray which determines the destination, the operation thereafter is automatic, and noiseless

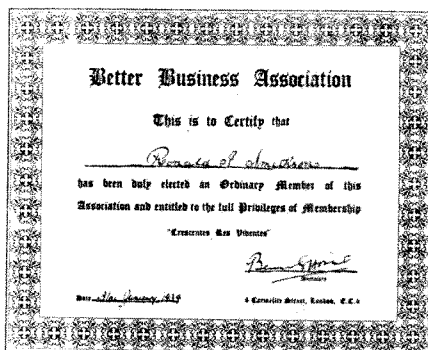
524 EXECUTIVES are Getting This Service FREE

Only 4 weeks ago the Better Business Association was inaugurated. Since then more than 524 progressive business men have become members. They are now using, free of charge, the services of the Advisory Bureau of the Association which, in this short time, has created for itself a reputation for the speed, authoritativeness, and reliability of the business advice it gives.

In almost every case when a new organization such as the Better Business Association is formed, it is regarded with a certain amount of, shall we say, *reserve* by the business man.

This is exactly the attitude with which British business men have regarded the B.B.A. The more progressive type of executive has welcomed the Association, its aims, ideals and objects, and made good use of the unusual services which its Advisory Bureau offers. But the more conservative type of business man still regards us with typical constraint.

The rapid increase in membership is partly due to the enthusiasm of members themselves, who, impressed with the service they have received, have recommended the Association to their business friends. For this help, we are appreciative and we hope that members will continue



7 inquiries regarding collection letters and collection systems have been dealt with.

14 sales departments consulted the Bureau on sales organization problems.

41 members wrote to the Bureau asking for the names and addresses of suppliers of various types of office appliances, machinery and commodities.

5 retail members wrote asking for advice on their advertising problems.

2 large manufacturing concerns asked for suggestions for staff pension and insurance schemes.

1 business house required a complete scheme for converting their book-keeping from an old system to a new mechanical accounting plan.

THE PREMIER DRUM CO. LTD.
THE 'DOMINION-SUPER'
The Drum of the Future - In Advance

Bernard G. Hodge, Esq.,
6, Carmelite Street,
London, E.C.4.

Sunday
12 Feb.
1934.

Dear Mr. Hodge,

I am at last writing to thank you for the assistance you have given us with regard to the resumption of our travelling.

It has been so useful that I am sure we shall be coming to you again for further advice.

When you please enter me as a member of the Better Business Association.

I already have the system desk efficiency diary and a Better Business Library so I suggest becoming an ordinary member.

As I mentioned to you over the telephone, we already subscribe to "Business" so perhaps you will let us know how much subscription I have to send along.

Once again with thanks for your assistance.

Yours very truly,
A. J. Sells
Sales Manager.

8 inquiries were received for various types of business services and supplies.

Ninety-eight per cent of all inquiries were answered in full within twenty-four hours. Of the remaining 2% several required a considerable amount of research and statistical work, and out of the whole month's total the Bureau were unable to answer only two inquiries—both requiring information which it is quite impossible to secure.

Invitation to Members

This page in BUSINESS is reserved solely for the use of the Better Business Association, and we cordially invite members to write to the Secretary on any point which they would like to have publicly discussed on this page.

We believe that by allowing part of this page as a forum for airing members' individual problems and viewpoints on business, a useful interchange of information and ideas will take place. Letters for insertion must be brief and to the point, and it should be borne in mind that the Editor will not necessarily associate himself with the views which such contributions contain.

ENQUIRY FORM

To: The Advisory Bureau,
Better Business Association,
6, Carmelite Street, London, E.C.4.

Please let us have information on the following by return:

Enquiry No. _____
Name _____
Address _____
City _____
County _____
Post Office _____
Telephone _____

A 24 HOURS SERVICE WILL BE GIVEN MEMBERS IN EVERY POSSIBLE INSTANCE.

to do their best for their own Association by introducing it to their acquaintances and colleagues.

How the Advisory Bureau Operates

It is interesting at the end of this first four weeks' operation to review the working of the Advisory Bureau. When the inquiries are received they are immediately classified under the subjects to which they refer. Copies are then made and the originals are sent at once to the consulting expert who covers the particular field to which they refer.

Nothing is too much trouble in order to get the necessary information, and to get it quickly. Six hours after the inquiries are received a clerk goes through all the copies and follows up the various consultants who have been approached for the replies. Reports from Advisory Bureau experts are always made in duplicate. The original is dispatched at once to the member and the copy attached to his inquiry for future reference.

It is interesting, too, to review the actual work done by the Advisory Bureau during the four weeks of its existence so far. Here is a tabulated list of the type of inquiry that has been dealt with:

53 inquiries for Sales Letters have been dealt with. Letters have been criticized, revised, and new letters written.

BUSINESS INQUIRY SECTION

Can You Supply . . . ?

1. Dairy Machinery for the production of condensed milk?
2. List of motor car owners in the Manchester area?
3. Warehouse, office or showroom accommodation in Manchester?
4. Names of makers-up or packers of cotton goods?
5. Group Insurance or Pension Scheme for staff of 50?

Suppliers of the above should write to:—
The Secretary, B.B.A., 6, Carmelite Street, London, E.C.4

★ Make your Advertising PAY!

★ 3 SPECIAL Offers to Business Men

Compelling CATALOGUE COVERS
Original colour suggestion including idea and layout
£1.1.0

Lively LEAFLETS
that tell the story and sell the goods. Idea, headline and lay-out
£1.1.0
Complete with wording **£1.15.0**

IDEAS, COPY and DESIGNS for Advertisements
Original pencil suggestions with copy for press or trade from **15/6** each

CRICHTON STUDIOS
5, CHANCERY LANE, W.C.2 HOL. 8400

Have you seen the New BAR-LOCK

No. 19?

A revelation of typewriter efficiency. Important new features and developments include

New "velvet" touch : silent carriage return : new style compensating paper feed : increase of $\frac{1}{2}$ -inch in correspondence carriage writing line : chromium plated finish

Many other new features and developments resulting in utmost efficiency, speed and ease of operation.

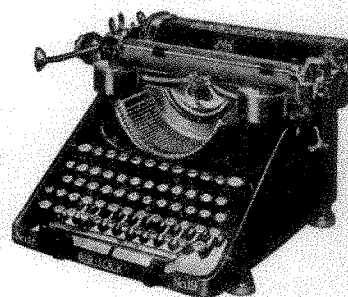
MADE IN ENGLAND



BAR-LOCK
(1925) CO.,
NOTTINGHAM
ENGLAND

Makers of the
BAR-LET PORTABLE

Telephone : Nott. 75141/2



RIBBONS **OLIVER** CARBONS

TYPEWRITERS

FOR
ALL
PURPOSES



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Oliver Typewriter Manfg. Co. Ltd.
Victory Works, 80 Gloucester Road,
Croydon. Phone: Thornton Heath 1301

London Office:
106 & 108 Queen Victoria Street, E.C.4

Phone: Central 0121/2

Please send full particulars of the Oliver Typewriters:

Name.....

Address.....



A COMPLETE INTERNAL TELEPHONE for 25/6

For this modest outlay you can have a thoroughly efficient clear-speaking inter-departmental telephone. Just as good as the most expensive equipment. Not mere toys, but a thoroughly sound engineering job made by one of the leading telephone constructors in the country—solely for Chad Valley. No power is needed beyond a 3-volt flash-lamp battery lasting three months.

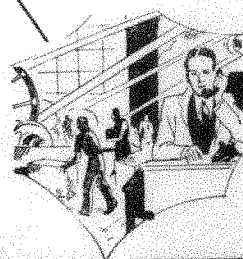


Beautifully made in Black or Burr Walnut Bakelite. The price of 25/6 includes a set of two telephones and 35 feet of wire. Extra lengths of flex can be obtained at the following prices: 50 ft., 4/-; 100 ft., 7/6. Write for leaflet giving full details and name of nearest stockist to:—

CHAD VALLEY CO., LTD.
Telephones I.B. Harborne, Birmingham 17

CHAD VALLEY PHONES

Obtainable from leading London and Provincial Stores and Radio Dealers.



MORE . . .

& MORE . .

& MORE

Manufacturers are beginning to realise that the best work and maximum production are to be obtained only where conditions are best. These conditions are created in a ground-floor factory of STANDARD TYPE. You can strengthen your competitive power immeasurably by moving into an up-to-date manufacturing unit, built cheaply and quickly to suit your requirements on one of the following Freehold Factory Estates:

**MORDEN
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Advantages include well lighted, heated and ventilated working area, healthy operatives, spacious clear floors, continuous sequence of operations, no lifts, easy supervision, low overheads, facilities for extension. Rent or purchase schemes arranged. Mortgage facilities provided. Consult the developers:

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STRUCTURES
LTD.**

Specialists in the construction of
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Works:

38-44 CANAL RD., N.1 (Clerk. 9036)

Offices:

61 CITY ROAD, E.C.1 (Clerk. 9227)

★ For the convenience of those manufacturers who desire immediate occupation, a number of newly erected factories are available, varying in floor space from 10,000 to 50,000 sq. ft.



Be Guided by These
Factors When You . . .

SELECT a FACTORY SITE

By J. F. BOWEN

More goods are being made in Britain. The foreign manufacturer finds it difficult to cope with tariffs and the more vigorous and better organized efforts of our own producers.

During the last few months the demand for sites for new factories and extensions has approached the dimensions of a small boom. Propaganda is being used by various industrial centres drawing attention to the advantages each has to offer, and the claims vary.

Sites for new factories should be chosen with full care, and only after close investigation, otherwise a certain and cumulative excess of expenditure may result. The manufacturer who is proposing to establish works needs first of all to link up his product with his market, to consider the various elements involved.

These Questions are of Primary Importance

Will the site meet every need: is the neighbourhood economical; does it offer full transport facilities, both in and out; is it advantageously located for supplies of raw material; has it a supply of labour within easy reach; is it near a potential market; does it offer inducement as a centre of cheap and quick distribution?

Many of these questions are simply answered, some are not to be dismissed off-hand.

Preliminary investigation must take into account the unavoidable overheads imposed by the district itself. Rates in industrial areas, for example, vary from 9/- to 17/2 in the £. But it is not enough only to consider the rates per £: the basis of valuation must also be taken into account. This can only be done by direct comparison of district with district, and information can generally be obtained from the Town Clerk's office.

The next item leading to a choice of location is the price of water, power and light. Water rates vary from 6½d. to 2/- per 1,000 gallons, and water is an item that can loom large in certain industries. Some charges are on a slid-

ing scale varying with use, and others at a flat rate. Gas shows a similar unevenness. In some places it is as low as 4d. per therm, in others it rises to nearly 10d. Some places offer substantial discounts for industrial purposes, others seem not to have made any such provision in their scale of charges.

More important, perhaps, is the question of initial expense for light and power, the charges for which show extreme contrasts. Light runs from 2d. to 7d. per unit, but power moves between the figures of ¼d. and 7d. In many industries, modern practice is to instal small independent motors operating individual machines, and electric power becomes at once a necessity and a large factor in production costs. Frequently, but not universally, considerable allowances are made to large consumers. The figure should be carefully scrutinized.

All these factors must be weighed before deciding on the site. Then follow questions of more general interest.

The first is geographical location. The best area depends naturally on the industry itself. Some trades are dependent upon the peculiarities of certain districts: the hardness or softness of the water supply, for example. In this case, there is little choice. Others are confined to the vicinity of mineral deposits. In every case proper thought must be given to the availability of raw materials, and the factory placed where the intake of prime commodities is reduced to the minimum of handling and transport costs.

Advantage of Locating in Suburban Areas

The present tendency in many industries is to establish factories outside the large centres. The Printing trade, for example, is moving outwards, so cutting overheads and basic charges. The Radio trade is also suburban in location, as is light engineering, and the cities are looked on mainly as distributing centres.

With transport of all kinds steadily improving in efficiency, the suburban

and country sites have distinct advantages. Land is considerably cheaper, so, usually, are rates and other charges including labour costs.

With this move outwards, there is one point in connection with the actual factory site which must be given consideration. The choice should be made where sufficient additional land for subsequent expansion can be economically secured.

The site, however, should not be too far from a large centre of population, even though transport facilities are good. For one thing there is a certain publicity value in the nearby site: people in the city know of it. There is a potential market close at hand which can be catered for at relatively low cost, and whose demands will help in the averaging of total distribution costs.

A New Type of "Standard" Factory

With regard to the factory building itself, some manufacturers prefer to seek an existing building and to adapt it to their own use. Others prefer to build specially, and so make sure of having, from the outset, everything

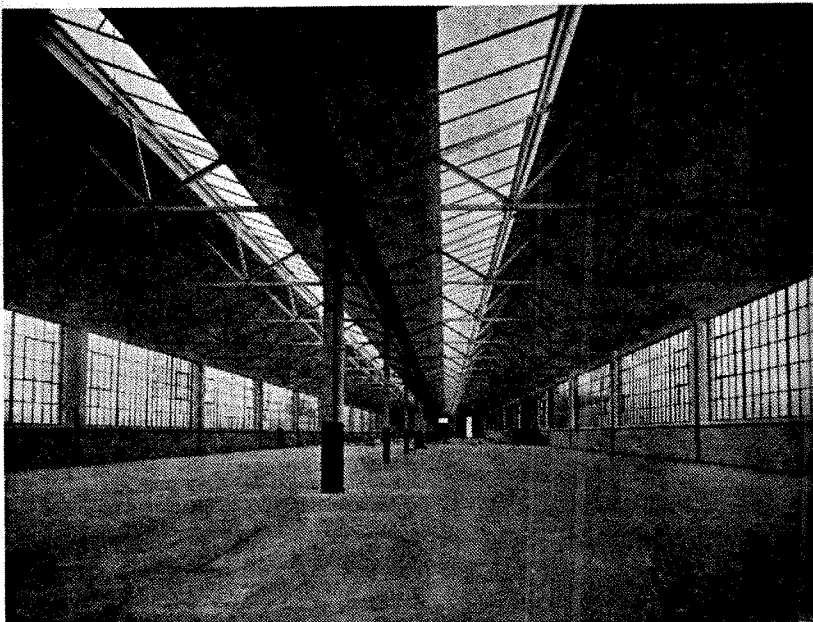
This is a building constructed from the combined experience of many experts and standardized as suitable to meet 90 per cent of business needs.

Such a factory, being a standard product, can be quickly erected, unit by unit, on any site. It is complete with lavatories, central heating, gas and electric connections, and can be made any size, large or small. A general view of the layout of such a standard factory is given in the illustration.

Not the least attractive thing about this type of building is its low cost. But even here, if a business man needs such a factory but does not wish to buy it, he can rent or rent-purchase one.

Get the Right Kind of Labour

Whatever the final choice of the site of the factory a plentiful supply of labour of the right kind must be available. Of unskilled or routine workers there are generally plenty. But the question of skilled and technical workers must be carefully considered.



Here is a modern "standard" factory of ready-made units available to be erected on any site at low cost and in quick time. It is all-steel framed, has concrete floor, glazed roof, central heating (offices and works by independent boilers), complete lavatories and all gas and/or electric connections. This type of factory can be bought outright or rent-purchased

suited to their needs in the best possible way.

There is a lot to be said for this latter method, for one of the prime factors in the keeping down of costs is to have the factory itself and everything concerned with production planned out to the highest degree, not only of efficiency, but also of fitness for the job in hand.

For manufacturers wishing to erect a new factory building there is a new development of considerable interest. There is what is known as the "standard" type of factory.

No two manufacturers' problems in regard to this point are the same. But the matter is included here as one of the factors which must be given thought as careful as that devoted to supplies of other necessities such as coal, water, electricity, raw materials, and so on.

The question of adequate supplies of proper labour is, in fact, the most important single item which has to be considered. Too much stress cannot be laid on the fact that the fullest and most careful investigation must be spent on this problem before a new site is finally decided upon.



Surface
54 ins. x 30 ins.

Amazing Sale 950 Desks at £6.6.0

Carriage Free England and Wales, Scotland and Ireland 5/- extra.

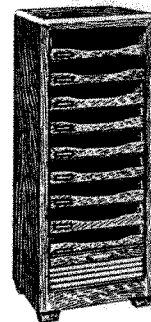
HERE is the most extraordinary desk offer ever announced! This de luxe desk is made of figured oak—stout legs, laminated top, 2 extensions, auto locks, etc. The surface is 54 in. x 30 in. Ordinarily, these desks could not be made at £6.6.0—for the timber alone would cost nearly that. For pure value the desks overshadow anything on the market—second-hand or otherwise. They are beautifully polished with a lustrous finish that greatly enriches the selected grain of the oak. Send at once for details of various desks, etc., included in this huge purchase (e.g., 4 guinea typists' desks offered at 39/6).

Pencil your address across this advertisement: literature will follow by return. But order this special Desk NOW, the demand will be a record one!

7 DAYS' FREE TRIAL to any Approved customer. You risk nothing, money refunded if dissatisfied. **ACT NOW!**

Also

320 only 6 guinea Oak Filing Cabinets at 70/-



Here is a chance to grasp. We have bought for cash a stock of REAL OAK Roll Curtain Cabinets, each with 9 sliding trays 16x13x3 1/4 in. Lock secures all 9 trays. Ideal for Office, and much used for music, records, etc. (Mahog. finish 7/6 extra.) Sent on 7 days' trial to any Approved customer in U.K. Order now! Carriage Free. State Light or Dark Polish

Send for Sale List of Office Desks, Chairs, Filing Cabinets, etc.

OSDA LTD. 55-57, Old Bailey
London, E.C.4 Ring City 3313 (3 lines)

Also: 16 St. Mary's Parsonage, MANCHESTER (Blackfords 6345)

622 Royal Liver Buildings, Liverpool (Bank 4112)

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Shell House
Johannesburg

These Safe Cabinets preserve against Furnace Heat

The claims made by the manufacturers of safe cabinets, or fire-resisting cabinets are seldom appreciated by potential users at their true value. We recently witnessed a remarkable test made by Library Bureau, Ltd., manufacturers of the Safe-Cabinets, before a company of customers, prospective customers, and Pressmen.

The Safe was filled with a conglomeration of papers, together with a number of Treasury notes. It was then locked, placed in a furnace and left there for three hours in intense heat. Every five minutes readings of the temperatures at the front, side, back and base of the exterior of the cabinet were taken by means of electrical thermometers, as well as the temperatures of the upper, centre, and lower sections of the interior.

2080 Degrees But Contents Intact

It is not possible to reproduce the whole of these readings, but the following figures will show the state of affairs throughout the test:

At the end of 5 minutes, the readings were respectively 1080, 825, 260, 350, 37, 35, 34, degrees Fahrenheit.

At the end of 60 minutes, 1840, 1750, 1800, 1700, 210, 176, 88.

At the end of 120 minutes, 1985, 1960, 1955, 1875, 220, 213, 213.

At the end of 170 minutes, 2045, 2030, 2080, 2115, 238, 214, 216.

After three hours the safe was removed from the furnace and cooled quickly by means of a hose. During this rapid cooling the outer casing of steel came away, leaving the body of the safe surrounded by the insulation material.

When the safe was opened the papers were found to be intact, except for a slight discoloration from the enamel on the inner surface of the walls.

Spectacular tests such as this are invaluable, for in no fire is it conceivable that a temperature as high as that reached in the furnace can be maintained for any length of time.

While the temperature of the outside of the safe rose rapidly, that of the interior rose very slowly, and took a whole hour to rise from 211 degrees to 220 degrees. At the peak it was seldom more than one-tenth of the temperature of the exterior. The danger temperature as far as paper is concerned is 300 degrees, for at this temperature dehydrate of paper is practically complete, and it commences to become brittle and clear. When the temperature has risen another fifty degrees any writing on the paper is indecipherable, and shortly afterwards it crumbles into ash.

Hence, it follows that it is practically impossible for paper to reach such a dangerous temperature in a fire when it is stored in a Safe-Cabinet.

Another interesting point which came out, was that specially important papers are best stored at the bottom of the cabinet, for the temperature there is always slightly lower than that of the other parts.



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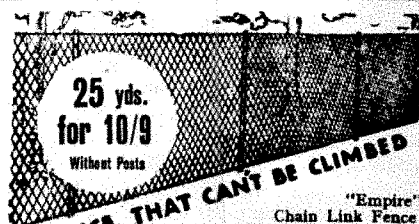
STATIONERY BUYER

When ordering—

SWAN' INK

for general office use
remember that the larger
sizes are most economical

20 oz. 2/9; 30 oz. 3/6; 40 oz. 4/6;
½ Gall. 7/-; 1 Gall. 12/6



A FENCE THAT CAN'T BE CLIMBED

"Empire" Chain Link Fence. British 'make, of tough "Crapo" Galvanised Steel, is ideal for orchards, roads, factories, tennis courts. In various heights from 3ft., 3in. mesh at 10/9 per 25 yd. roll, without posts, 14 gauge. Other sizes and meshes on application. Send for List C.L. 105.

PARKER, WINDER & ACHURCH, Ltd.
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In the advertising business £200,000,000 are spent every year in Britain alone. Capable, well-trained men and women fill really enviable positions. The work is interesting; salaries high; and merit brings its own reward probably more quickly than in any other profession. If you aim at something above the commonplace, we can put your feet on the path towards this success. You can take the British College of Advertising Course at home, wherever you live, in your spare time, and without interfering with your present employment. Call, or write, for full particulars:

THE BRITISH COLLEGE OF ADVERTISING, LTD.
DEPT. 47, 6, CARMELITE STREET, LONDON, E.C.4

Another danger in fires, not dealt with in this particular test, is dealt with in an equally convincing manner in another. Frequently, when buildings are in flames, heavy beams or girders fall on to Safes and smash them open, or a floor collapses and precipitates the Safe to a lower story, where the impact has the same effect.

To demonstrate the resistance to fall and impact in a fire the Safety-Cabinet is placed in the furnace again and left there for one hour, after which it is withdrawn and dropped from a height of ten feet on to a concrete slab. A really safe safe cabinet will not break open. It is then returned to the furnace for another hour, and examined as in the first test.

The essence of the cabinet is the insulating material. It is not enough for documents to be stored in a steel case, for, though steel does not burn, it transmits heat, and allows those papers which it should protect to be destroyed. The insulating material of the make of safes we saw tested is a secret composition, but we can say that the less evaporable moisture there is in it the better it will serve, for, when the moisture evaporates, the safe cabinet is no longer safe. In the remarkably successful tests which we witnessed, the content of evaporable moisture was guaranteed to be less than one per cent.

WHAT I GET OUT OF "BUSINESS"

(Continued from page 22)

pany, for I am sure, after reading it, that I could run that stockroom without a hitch. That is what is necessary in all your articles—to be able to use them as practical guides and handbooks.

The next article on lighting was of real interest to me, for it concerns indirectly the science of optics on which my business is founded. I am sure the firm could give me a good deal of interesting and useful information. I shall probably go to see them, and the journey will serve a two-fold purpose insofar as it will enable me to find out something more about their lighting problems and also to look over the land in that district for further expansion. It lies just over the boundary of the area which we serve at present.

Then came a few short-cut ideas. I always read these carefully, for, stripped of their trimmings, they are often applicable to the business.

The next article on office equipment was of interest, though not of immediate use. Our office is due for overhaul at the end of this financial year, and the article was placed on file until then.

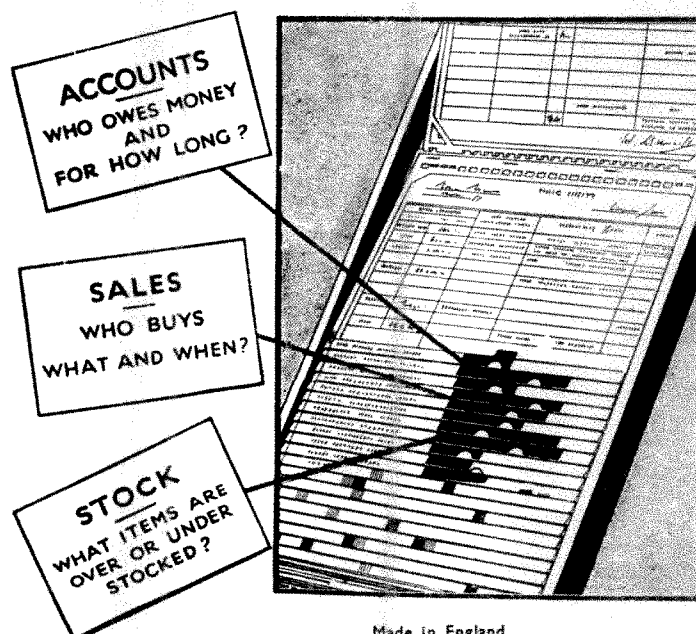
All These Ideas Are Usable

Then came more short-cut ideas, chiefly for office use. I read these carefully and passed them on to the office staff for comment and further examination. After all, the staff are the people who have to live with an innovation, and they can tell in a minute whether a suggestion will help them or not.

Following this was a short description

KARDEX

tells you in a Flash



Made in England

KARDEX is an integral part of these firms:—

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ELECTROLUX LIMITED

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It costs you nothing . . .

What is the exact state of your stock to-day? Which sales areas show an increase over last month? Which is your most profitable item in each line?

These are facts vital to the efficient running of your business.

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- ☐ Purchase & Stock Control. ☐ Hire Purchase Accounts.
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Please send me the Bulletin marked with a cross.

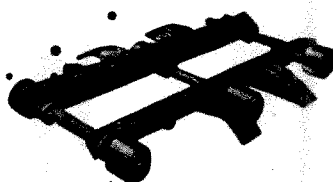
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Low wheel type



Size No. 2.

BY USING THESE

All-metal Dolly Trucks

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- 1** Get through instantly to any departmental member of your organization, without turning a dial, calling Exchange, holding an earpiece, or speaking into an unsanitary mouthpiece.
- 2** Talk naturally to him, without raising your voice and without moving from your seat or even from your usual attitude.
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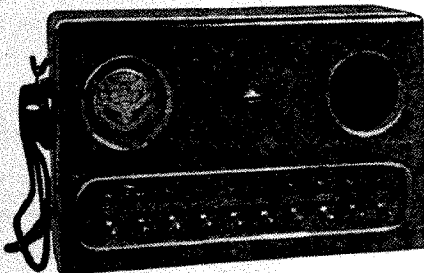
4 Hear their replies aloud through a loudspeaker as distinctly as if they were standing at your side. If you wish your replies to be for your own ear only, an earpiece is provided.

5 Retain both hands free to write or hold papers whilst you talk, or even walk about the room or dictate your letters.

6 Secure right of way in a polite manner over other conversations between your departments.

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of a pension scheme. In one way it was interesting for comparison with others. I filed it away.

The weakest part of the magazine was the page devoted to book reviews. It seems to me that BUSINESS is a magazine with a unique appeal to business men, and that this section of it should be more thoroughly done though, perhaps, it should not be given any more space. No opinions were expressed on the books mentioned, and I think opinions would be appreciated. With due humility I suggest that only two or three of the best books each month be taken and reviewed thoroughly and concisely.

Finishing this letter on a note which is slightly less high is perhaps not quite fair, but every sun has spots on it, and BUSINESS is no exception. BUSINESS is a magazine which should *not* be bound and kept, but cut up, put into files and used.

THE SMALL OFFICE GOES MODERN

(Continued from page 25)

Our object, of course, will be to encourage executives, by thus getting their letters opened earlier, to begin dictating earlier and so, in reality, get an earlier start on the day's work.

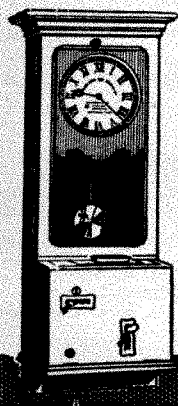
Ours is a comparatively small office, but we consider that modern equipment and appliances can do quite as much to speed up and improve the work of the small office as it can the large. The fallacy that only the big office can usefully employ mechanization is completely exploded.

THIS WELFARE POLICY

(Continued from page 21)

had both taken regular lunches, were members of evening classes and several of the social clubs, also that both were on the same job. The welfare officer investigated this, and found that it was a very monotonous mechanical occupation, which was apparently deadening in its effect. The upshot of this was a conference between the works manager, welfare officer and managing director, with the object of removing the monotony of the job and at the same time increasing the efficiency of the workers concerned. For, unless the efficiency of the workers is maintained at the highest possible standard, then welfare work, apart from its humanitarian value, is of no real worth to the manufacturer.

This conference found that in this case radical alterations would be necessary to change the state of affairs. Alterations involving the reorganization of the whole department are now therefore under consideration. It is believed



THE TIME HAS COME

THE WALRUS SAID

(apologues Lewis Carroll)

to talk of many things, amongst which the problem of time recording is most vital. Present conditions demand the newest equipment—if time is money, save both by installing the famous G.B. System—a timely remedy for cutting out unproductive minutes.

INVESTIGATE NOW—SEND FOR DETAILS

GLEDHILL-BROOK TIME RECORDERS LTD.
38 Empire Works HUDDERSFIELD

GLEDHILL-BROOK

that this chance discovery while at camp will in the end have a beneficial effect on the efficiency of an entire department.

In conclusion, it must be taken that, while the humanitarian aspect of welfare work has its own value, the direct value to the manufacturer is very definite, for the knowledge among the workers that their employers are doing something more than consider them as working units has a definitely beneficial influence which shows itself both in work and in personal character.

BUSINESS EXHIBITS at the B.I.F.

(Continued from page 29)

small folding carton to the well-known "Fiberite" packing-cases which protect goods in transit to all parts of the world.

★

A very fine piece of equipment was the four-bank Portable British-made Typewriter exhibited by the **Imperial Typewriter Co., Ltd.**, Leicester. Incidentally, this was the only standard four-bank Portable model made throughout in Britain. The standard models of this company embodied the principle of interchangeability of type unit, carriage and platen. The chromium-plated parts of this machine made it a very attractive model.

★

No business man could fail to be interested in the stand of the **Tan Sad Chair Company**, Avery House, Clerkenwell Green, E.C.1. Much has been written in this paper about the manner in which proper seating for everybody, from the office-boy to the top executive, can increase efficiency and work by reducing fatigue. The exhibit on this stand demonstrated exactly how this factor operated and qualified experts were there to explain every detail of the most important subject of correct seating. This advisory service is at every business man's disposal.

★

Tape may seem to be a very utilitarian product, but some idea of the very wide and attractive ranges in which this material can be manufactured and the extraordinarily diverse uses in which it can be put in almost every department of a business was well demonstrated on the stand of **P. P. Payne & Sons, Ltd.**, Haydn Rd., Nottingham.

★

Leabank chairs are well-known to many business men, but this well-known make was exhibited for the first time at the B.I.F. this year. These chairs are of British design and manufacture, and are constructed along scientific lines which are the outcome of the most careful study. **Leabank Manufacturing Co., Ltd.**, Hoddesdon, Herts.

★

Self-closing, coin-exhibiting and multiple-drawer check tills, receipt-issuing and total-adding cash registers were among the exhibits on the stand of **G. H. Gledhill & Sons, Ltd.**, Halifax. The "Monarch" cash register manufactured by Gledhills was introduced at the B.I.F. in 1931. Since then improvements have been added, notably the visible adder and the detail strip models. The new visible adder model enables the shop manager to read the total at any time, but it can only be

Business "Lines of Communication"



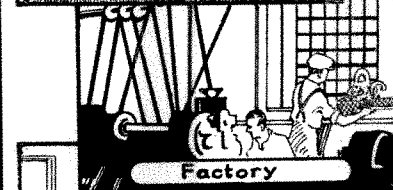
Counting House



Shipping Dept.



Stockroom



Factory



Retail Shop



Executive

Internal communication and handling costs can be materially reduced and efficiency greatly increased by the use of Lamson Equipment.

PNEUMATIC TUBE SERVICE

Invaluable for carrying messages, orders, documents, cash, in offices, works, shops.

AUTOMATIC CARRIERS

For all purposes, from a single sheet to a machine part.

CONVEYORS

Designed for transport of materials or parts from one process to another. Suitable for both small and large plants.

Full information on any of these services can be obtained from a series of booklets which will be sent to any firms who are interested, on application on their business letterhead or phone Nat. 0202.

Lamson Pneumatic Tube Co. Ltd.

132, CHEAPSIDE, LONDON, E.C.2

NATIONAL 0202

zeroised by the proprietor or person in charge of the total key.

★

A range of standard lines admirably suited for advertising mementoes or items which can be embodied in publicity schemes were shown in the form of mouldings on the stand of **Insulators, Ltd.**, Montague Rd., Edmonton, N.18.

(Continued overleaf)

PS

When business grows—and office work strains the staff, replanning procedure will pay over and over again.

Call in the specialist on Office Method.

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PHOTOGRAPHY • BLOCKS

P314

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THE "ECONASIGN" PRINTING OUTFITS

These Outfits meet the increasing demand for a simple and efficient apparatus by which the merest novice is able to produce the most ARTISTIC WORK with real ECONOMY!

B.I.F. STAND, B.100

Write for illustrated Catalogue

The "ECONASIGN" Co. Ltd.

Dept. B

92 Victoria Street

London S.W.1

Telephone - VICTORIA 5662

Few business men were not interested in the 1934 Gestetner Electric Ream Brief machine which was shown to the public for the first time at the B.I.F. This model differs in appearance from all previous models. Four levers control everything. It has improved self-adjusting push-feed which automatically adjusts its grip to thick or thin paper. The registration is more accurate and it operates at variable speeds to suit all types of reproduction from 40 to 80 copies a minute. Two new foolscap models were also shown. **D. Gestetner, Ltd., Aldwych House, London, W.C.2.**

★

At the Olympia section of the Fair **G. A. Harvey & Co., Ltd. (London), Greenwich Metal Works, S.E.7.** showed a range of attractive steel office equipment comprising filing cabinets, cupboards, tables, lockers, shelving, etc.

★

All models of the famous "Platignum" Fountain Pens were shown by the **Mentmore Manufacturing Co., Ltd., Tudor Grove, London, E.9.**

★

A unique, loose-leaf book, the "Moore-speed", for use with any make of accounting machine was one of the very useful and widely applicable displays on the stand of **Moore's Modern Methods, Ltd., 13 St. Bride Street, London, E.C.4.** This firm also showed the "Nimblex" "visible" loose-leaf book, a record book offering the advantage of displaying 25 records or accounts at each opening, a fact which greatly speeds up reference or postings. Loose-leaf books of all kinds, "flat-lie" index sheets giving a flat writing surface and an automatic device for inserting in an existing tier.

★

Great interest centred round the new Bar-Let portable typewriter, a British machine by the **Bar-Lock (1925) Co., of Nottingham.** Greatly increased sales of this new machine had enabled the manufacturers to reduce its price from eight to seven guineas, including travelling-case. The crowds of business men and women round this little, up-to-the-minute machine at the new price clearly indicated its popularity. Bar-Lock also showed their standard model all-British Typewriters, and a fine range of desks, shelving, lockers and other office furniture.

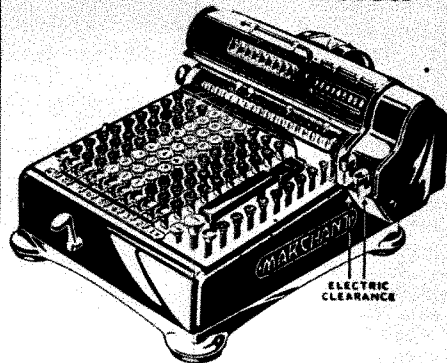
★

The display of Cope-Chat (**The Copeland Chatterton Co., Ltd., Exchange House, Old Change, London, E.C.4**) accounting systems and equipment revealed to what high efficiency these business aids have been raised. The Vertical Visible File, on easy-running castors, the Ledger Posting Tray and Trolley and applied appliances, all-in fire-resisting steel, saved at least one hour's work per operator per day since no pre-sorting of accounts at the beginning of the day was necessary. Every account was constantly under the hands of the operator at all times. This firm also displayed their well-known fire-resisting safes and safe cabinets.

★

On the stand of **Hazell, Watson & Viney, Ltd., 52 Long Acre, London, W.C.2.** in addition to their own noted products of printing, were, of course, the well-known Letts Quickref Diaries and the products of Andersons (Edinburgh), Ltd. This stand displayed one of the widest ranges of stationery and office accessories in the whole of the Business Equipment section of the Fair. Notable in the display was the new Relief-Nib Fountain Pens, the new product recently advertised widely in the Press. (Continued on page 40)

SPEED, ACCURACY & EASE OF OPERATION



MARCHANT
"MASTER OF MATHEMATICS"

CALCULATING MACHINES

The 100% electric calculator that is indispensable to every business office. Every operation is performed electrically and automatically, obviating the need for trained operators.

The Marchant will speed up your clerical work, reduce your costs and eliminate expensive mistakes. Guaranteed in every respect for one year. A demonstration and trial will cost you nothing.

Full particulars from

MARCHANT DIVISION

L. C. SMITH and CORONA TYPEWRITERS LTD.

Melbourne House, Aldwych, W.C.2

TELEPHONE

TEMPLE BAR 2531

TO
REDUCE COSTS
AND
INCREASE EFFICIENCY

USE

SERVICE
IBC
SUPERSORB

The unique green blotting with a big price saving

17½ × 22½

½ Ream 6/6, ½ Ream 12/-, 1 Ream 23/-
Carriage Paid

Send for Samples TO-DAY

IT WILL PAY YOU

LANCASTER BROS. & CO.

Envelope Specialists

Shadwell Street, Birmingham 4

NEW BOOKS

For The Business Man

The Principles and Practice of Marketing, by R. Simmat, M.A. (Pitmans, 12s. 6d.).

It is accepted that the same basic principles of marketing are involved, no matter what product is being handled—a motor-car, a cigarette, a tablet of soap, or a sewing machine.

Mr. Simmat's book defines these principles clearly, and shows exactly how they can be successfully applied to all types of branded and unbranded goods. The book covers the entire process of distribution from the manufacturer to the consumer in so far as this process is related to the influencing of sales, and explains precisely how to sell to the largest number of consumers in the most economic way.

The author is a man with the whole subject at his finger-tips. His experience as a marketing specialist is international in nature, and he gives you in this volume the full benefit of this experience, the time-tested plans that have been perfected in actual use, and many practical hints and suggestions for selling more goods, increasing turnover and raising profits.

Whether you are a manufacturer, sales-manager, or advertising practitioner, you are sure to find this book of instantly usable plans, ideas and suggestions of the greatest material benefit in your work.

Economic Salvation, by Claud P. G. Jacob (Thornton, Butterworth, Ltd., 5s.).

In this book the author examines our monetary system and sets forth in the plainest language how money is created and circulated, and the influence it has in building up the wealth and prosperity of the individual as well as of the nation. It explains how money works, the effects produced by it and points to an inherent fault in the system which the author asserts is the one definite cause of the economic ills: unemployment, taxation, debt, crime, as well as many of the other social evils from which the nation suffers to-day.

The analysis is followed by a constructive proposal embodying a Monetary System containing the essential principles to provide a stable system of exchange capable of employing all available labour, plus machinery, in order that national and individual debts may be liquidated, taxation reduced and prosperity restored to every class of the community.

The bold assertion is also made that these objectives can be achieved by the reorganization of our internal social system and is not dependent on any other nation.

Rapid Calculations, by A. H. Russell, B.A. (Gregg Publishing Co., 2s. 6d.).

Arithmetic, that humdrum, ordinary but exceedingly useful subject, is very often skipped by the student because it is so uninteresting. When, therefore, he enters commercial life it is rarely that he can make rapid calculations—for instance, the cost per lb. of goods sold at 37/6 per ton; This little book is offered as the experience of one who has successfully taught many pupils, and should prove an invaluable aid not only to the shopkeeper but all who have to deal with figures in any shape or form.

Modern Shopfront Construction, by Trevor Perry (Technical Press, Ltd., 5/-).

Although the art of shopfront design is a specialized branch of the building trade, every business man who contemplates changing the design of his shopfront should know something of the procedure adopted. The object of this book is to place before readers, in a plain, simple and intelligible manner, a full description of the treatment of design and construction, from the preliminary survey to the completion of the work. The book also contains actual examples of work executed.

How to Get the Five Goodwills, by Herbert N. Casson (Efficiency Magazine, 5s.).

Mr. Casson maintains that there are five goodwills which the ambitious business man should strive to create. They are: the goodwill of employees, bankers, investors, the public and, for the manufacturer, the goodwill of the retailer. In other words, the business man should concentrate on "Selling the Company" as well as its services or products to all, and not only to customers. Mr. Casson sets out in his book a number of practical suggestions as to how this can be done.

Coal in the New Era, by Ivor Thomas (Putnam, 5s.).

Mr. Thomas, who has the assistance of the highest experts in fuel research, traces the romance of the formation of coal from the carboniferous vegetation hundreds of millions of years ago, shows how Britain built up her great coal industry, and then applies himself to a consideration of its present unhappy plight.

In the application of science he sees the real salvation of the industry. He maintains that Great Britain should always attempt to use her native coal in preference to foreign fuels, and that in future coal should be regarded less as a fuel for immediate consumption, and more as a raw material for other products. He shows how oil and motor spirit can be produced from coal, and how motor vehicles can be run on coal-gas. He traces the diverse products made from coal-tar, and shows how science is improving the lot of the miner.

Finally, he pleads for a coal industry unified under national control, and pictures the industry as he expects to see it in 1950. This book is particularly timely in view of the Government Bill for a preference for oil produced from native sources.

How to Sell More to Customers, by Herbert Dennett (Efficiency Magazine, 1s.).

Friendship, by Herbert N. Casson (Efficiency Magazine, 5s.).

An Outline of Advertising, by George Burton Hotchkiss, M.A. (MacMillan & Co., Ltd., 15s.).

Brasstacks, by Geo. S. Royds (Nicholson & Watson, 5s.).

The Magic of Enthusiasm, by Herbert N. Casson (Efficiency Magazine, 3s. 6d.).

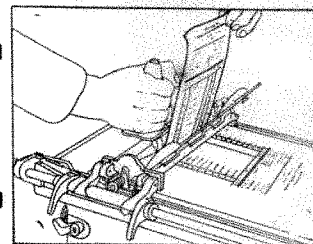
Mr. Casson tells us how staff enthusiasm can be created and encouraged in these difficult times. How much we need enthusiasm as well as efficiency in business to-day.

TRAINING IN FOREMANSHIP AND MANAGEMENT

By James J. Gillespie,
Works and Production Manager

This important and essential book makes perfectly clear the principles of foremanship and management, and tells how to apply them. It provides a complete course of training in the subjects and qualities that are necessary for the thousands of executive posts industry offers. For the technical man and the student wishing to break into the technical field this volume is of the greatest practical value. 184 pages. 7/6 net

Order from a book-seller or
Parker Street : Kingsway
London, W.C.2



'FACSIMO'

will copy invoices, order forms, costs and balance sheets, minutes and agenda, etc., etc.—quickly, clearly and efficiently. This modern adaptation of the gelatine process gives you 100 copies from one original in a few minutes. Five colours at one operation without stencil or typesetting.

SEND FOR DETAILS

GLEDHILL - BROOK
TIME RECORDERS LTD.
38, EMPIRE WORKS, HUDDERSFIELD

WALLACE CLARK & COMPANY
CONSULTING MANAGEMENT ENGINEERS

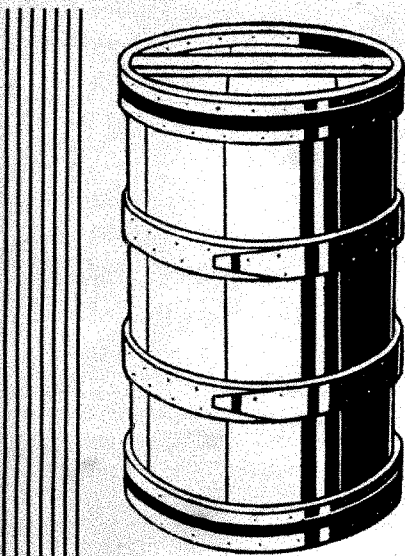
Installation of Works
Management Methods

PLANNING
STORES CONTROL
COSTKEEPING
BUDGETING *

European Head Office :
25 AVE. VICTOR-EMMANUEL III, PARIS

* Brochure on request

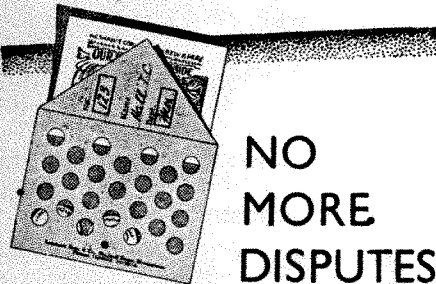
STRONG PERFECT-FITTING CONTAINERS



Strong, light, elastic, GUELPH Casks are made in 400 sizes and several styles. You can be certain that your products will arrive in good condition if you pack them in GUELPH Casks. Ask for a quotation.

THE GUELPH PATENT CASK Co. Ltd.
West Ferry Road, Millwall, London, E.14
Telephone: East 0279

Also at Manchester and Scotstown, Quebec, Canada



NO MORE DISPUTES ON PAY DAY

BUSINESS houses are eliminating unpleasant wage disputes by employing LANCASTER'S NEW PAY WALLETS—the really efficient pay envelope. Employees can check their money—even handle their notes, without extraction and without tearing the wallet. In case of a mis-count, wages can be easily checked without opening, the sealing being absolutely secure and permitting of wages being made up and sent any distance without risk.

Yet LANCASTER pay wallets are with practice speedier than the ordinary transparent envelope because notes need not be folded.

*Free sample Wallets
and Prices on request.*

LANCASTER BROS. & CO.

Cash Bag and Envelope Specialists
Shadwell Street
Birmingham 4

Among the electrical impulse clock and automatic signalling apparatus, some of the most interesting was shown by **Gent & Co., Ltd.**, Faraday Works, Leicester. Here was a master clock controlling 60 others throughout the Exhibition buildings. There were also "start" and "cease" work signals and a system of "Tangent" staff locators for immediately finding a principal or member of staff who is urgently required for trunk call or other urgent business.

★

The famous Waterman Pen Exhibits were, of course, on the stand of **L. G. Sloan, Ltd.**, Kingsway, London, W.C. Here were several new lines, a new companion set of fountain pen, pencil and case of ink to match, at the attractive price of 30/-. There was also a new snap-spring case for a Waterman pen and pencil. New packs for inks were also shown, with a fine range of desk sets and of Mordan's Ever-point pencils.

★

The **Chad Valley Co., Ltd.**, Harborne, Birmingham, is, of course, best known for its unique toys and games. One item of particular interest to business men, however, was the Chad Valley House Telephone, an absolutely capable instrument of the most modern type for the extraordinarily low price of 25/6. Exactly resembling in appearance and quality the high grade standard phone instrument, but working off a flash-lamp battery with complete efficiency, this appliance for the factory, office or the home was something that no business man could pass by.

★

Claimed to be the largest exhibit in the Paper and Stationery Section was that of **John Dickinson & Co., Ltd.**, of Hemel Hempstead, Herts. Of particular interest here was the new "Photoprint" process of advertising on envelopes.

★

Among the best-known office stapling machines were those of the "Crown" brand shown by **Frank Pitchford & Co., Ltd.**, Well House, Well Street, London, E.C.1. Here also were the "Crown" Pencil Sharpeners, the "Lightning" Stamp Affixers, and "Velos" Letter Openers. The two latter appliances extremely important aids to speedy and accurate work in the mail room. There was also an attractive range of roller dampers, ink stands, blotters and erasers, the latter a new "3 in 1" idea particularly for typists.

★

The famous electric firm of **Ferranti, Ltd.**, Hollinwood, Lancs, showed a fine range of all-mains clocks of the type being more and more widely adopted by business houses. Another notable exhibit here were the electric fires, claimed to radiate more heat for the amount of current consumed than any other fires of their type available. Here, also, was a 1½ gallon automatic electric water heater for office and other wash-basins.

★

Users of advertising novelties found an interesting display on the stand of **Calendox, Ltd.**, 91 Petty France, London, S.W.1. The Perpetual Date Cancelling Calendar; rocker type blotters; phone indexes; non-skid desk pads, etc., were among the range.

★

Modern, scientifically designed chairs for every office use from Board Room to typist, were shown by **Saxess Chairs, Ltd.**, Coventry. The prices of these were very attractive.



Save Record-Keeping Time

By means of the "Robin" Looseleaf Book System you can keep all kinds of business records quickly and economically. One glance at the index and you turn immediately to the page required.

"Dead" records can be extracted and new leaves inserted in a fraction of a minute.

May we send you a "Robin" Book on approval?

"Robin" Looseleaf Book with A-Z index and 200 leaves 5" x 8" ruled stock record, faint, cash or double ledger, sent on seven days' approval for 9/6 post free.

Send for latest illustrated list of looseleaf books

J. W. Ruddock & Sons
LINCOLN
and at 3 Old Jewry, London, E.C.2

Are You Satisfied with your Office Letter Heading?

**There are very few
Printers who have
made a thorough
study of this work.**

**We have a depart-
ment with special
printing plant for
this work alone.**

*We give you the
best results at
Competitive prices*



J. & H. BELL, LTD.
Printers & Office Equipment Specialists
Carlton St., NOTTINGHAM

Do you know **YOUR OFFICE COSTS?**

Simple calculations that will enable you to **STOP SERIOUS LEAKS**



The Dictaphone in use in the office compartment of the L.N.E.R. train running between London and Newcastle

There is a prevalent but erroneous impression that office work and output cannot be measured on the principles now invariably adopted in the factory. Consequently, very few business firms have any adequate idea of what different office processes really cost them and are not, therefore, in a position to judge whether any suggested alternative method of doing the work could really be a practical and economical proposition.

It is undoubtedly true that clerical work which is not carefully measured and checked is often a prolific source of waste, adding very much more than it should to the burden, already very heavy, of "overhead" expense. If any business principal has any doubt on this point he is strongly advised to keep a record of the actual output of every member of his office staff.

Nearly all clerical work—certainly 80% of it—is measurable by one means or another, and to measure it exactly, to see what each separate process actually costs, is the only way to make real progress towards increased efficiency. Even where an office worker is engaged at different times on different types of work, it is perfectly easy to keep a simple record sheet which will enable the correct percentage of the employee's salary to be charged to every job handled. Almost invariably, the result is to show that certain processes are costing more than they are worth. Very often it is found that a comparatively highly-paid employee is spending time on duties that could be performed perfectly well by a junior at perhaps half the wage. Secure this information by a proper costing scheme and to stop the leak becomes an easy matter.

Typewriting is the easiest of all office operations to measure, and in most offices it forms such a substantial portion of the

clerical wages bill that any substantial economy that can be effected becomes a matter of real importance.

It is a simple matter to keep a record of the time spent by every typist on different classes of work—shorthand notes, transcribing, copying, cutting stencils, making out bills and statements and so on. With this information in hand for, say, one month and the wage paid being known, cost of typing per 1,000 words can be accurately worked out. In ninety-nine cases out of a hundred the result will be a staggering surprise. But the small amount of work involved will be repaid hundreds of times over if it leads to more efficient and more economical working.

So far as the correspondence department is concerned, it certainly will be found that a wholly disproportionate percentage of time is put down to "taking dictations" or "waiting for dictation". This is readily understandable, and it is emphatically not the fault of the shorthand-writer. She has to wait until her principal is ready, wait while he makes up his mind what to say, wait idly every time he is interrupted. Only a fraction of the time is spent in actual note-taking and the result is that when a calculation is made of the average number of words per minute taken down during the dictating period, the result is simply trivial. Probably the girl is not really working at a quarter of her capacity. Yet the time spent must bear its proportion of her salary. *Dictation is costing too much.*

In exact ratio to the time she spends in taking notes her total weekly output of finished typing is bound to fall, and the cost per 1,000 words of typing is at once seen to be abnormally high.

The instant remedy, of course, is the dictating machine. The Dictaphone will

do all the work of taking down better and more efficiently than the girl. It does not cost so much if The Dictaphone has to wait idle through the principal pausing to think out exactly what he wishes to say or while he is interrupted by a telephone message or a caller. In the meantime, the typist, since she is not required for note-taking, is free to continue typing. Her weekly output, in consequence, shows an instant remarkable increase and the cost per 1,000 words, the final test of her real value, falls at once to a reasonable figure.

Repeated tests have clearly shown that if a shorthand-typist produces 350 lines of typed matter in a day she is doing as well as can reasonably be expected. The average Dictaphone operator produces 1,200 words, an obvious economy of over 50%. In The "Dictaphone train" now running on the London & North Eastern Railway between Newcastle and London the dictaphonist, on one 5½-hour journey, actually typed 1,505 lines—three times the daily average of the shorthand typist, and under much more difficult conditions.

The Dictaphone Company have evolved a simple and effective plan which will enable you to ascertain *exactly* what your typing is costing you. They will show you how this cost can be reduced, probably to the extent of 50%, and how, at the same time, you will make a considerable daily saving in your own time and the time of the principal members of your staff. All this advice is entirely free and places you under no obligation.

Write to-day for "Progress" and learn how The Dictaphone will reduce your working costs.

POST THIS COUPON NOW

THE DICTAPHONE Co., Ltd.,
Kingsway House, Kingsway, London, W.C.2
Please Send new book, "Progress", free

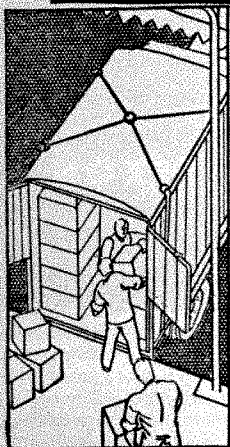
NAME.....

ADDRESS.....

B.4.34

Why you should SEND YOUR GOODS IN L M S CONTAINERS

MINIMUM PACKING COSTS



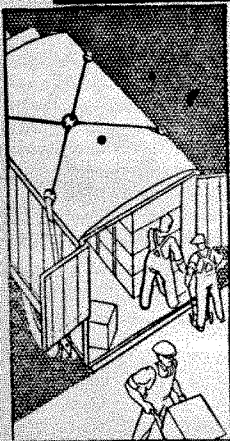
When you send goods by L M S Container your packing costs become practically negligible. It is really only a matter of carefully stacking the goods inside the Container—advice on the method of packing special types of goods will be given by L M S experts. Both in labour and in packing materials you save enormously.

NO BREAKAGE OR PILFERAGE



There is practically no chance of breakage or pilferage. As soon as the enamelled ware, stoves, cycles, paint, boots and shoes—or whatever the goods may be—are packed in the Container, it is taken by fast road vehicle to the nearest L M S depot. On arrival at its destination station it is delivered forthwith at your customer's premises. An additional precaution against pilferage can be taken by locking the door of the Container and posting the key to your customer.

DOOR TO DOOR WITHOUT HANDLING



Goods sent by L M S Container arrive at your customer's exactly as when they left your premises—in perfect condition—door to door without any intermediate handling whatever.

For full particulars about transport by L M S Containers you should get into touch with your local L M S Agent or write to the Chief Commercial Manager, Department B, Euston Station, London, N.W.1

"The Suitcase of Commerce"

Ask for Particulars



OF THE ERICSSON RENTAL SYSTEM

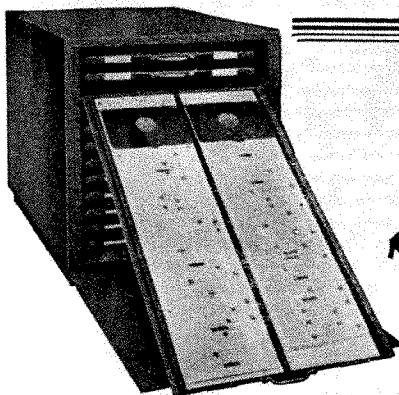
If you are interested in the subject of telephone rental you'll obtain some useful and enlightening information in the special literature and quotations dealing with the Ericsson Rental System, in which everything is fully explained. Clear speaking, efficient, foolproof, the Ericsson telephone puts your business on your desk—directors, secretary, accounts, warehouse—all at your finger tips.

ERICSSON TELEPHONES LTD.,

67/73, Kingsway, London, W.C.2. Telephones: Holborn 3271/3

Ericsson

BRITISH
TELEPHONES



1913—
1934

"BIZADA" is the original British Visible System, and has been on the market 21 years. As manufacturers selling direct to users, we have learned to anticipate the public's requirements. Our experience costs you nothing. May we help you?

1. ACCOUNTS DEPARTMENT. To keep better and quicker ledger records.
2. WORKS OFFICE. Control of stocks by means of visible indicators.
3. SALES DEPARTMENT. Customers who are not ordering kept constantly under notice.

Write for further particulars. No obligation—obviously.

CARTER-PARRATT Ltd.

Abbey House, VICTORIA ST.,

S.W.1

Phone: Victoria 1045-1046

Works: Wickford and Bath

BUSINESS

Complete Journal of Management

IN WHICH AT VARIOUS TIMES HAVE BEEN INCORPORATED:
"THE JOURNAL OF COMMERCE," "MODERN BUSINESS,"
"SYSTEM," "BUSINESS ORGANISATION AND MANAGEMENT."



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In your next suit or overcoat
ask your Tailor to use only

“
Courtine
(REGISTERED)
LININGS
”

If any difficulty in
obtaining “COUR-
TINE” LININGS
write direct to the
Manufacturers:
COURTAULDS
LTD., 16, St.
Martin's-le-Grand,
LONDON, E.C.1.

The name is on the
selvedge.

GUARANTEED FULLY SHRUNK.

“COURTINE”
LININGS
—woven by
COURTAULDS
—will not shrink,
fade or fray, and
your clothes can
be cleaned time
and again.



GREATER OUTPUT FROM YOUR OWN TYPEWRITER

With an EGRY SPEED-FEED attachment fitted to your own typewriter, and accommodating EGRY CONTINUOUS STATIONERY, your operator is enabled to produce almost twice the amount of work through the convenience and speed of operation afforded by this inexpensive device.

All unproductive effort is eliminated, the carbons and forms are fed automatically in registration into the typewriter platen.

Made to fit all standard makes of typewriters and accounting machines, it snaps on or off in a second, thus the machine may be used for ordinary purposes one moment, and converted into a Billing machine the next, for handling Invoice, Delivery Note, Works Order and other multiple sets of forms.

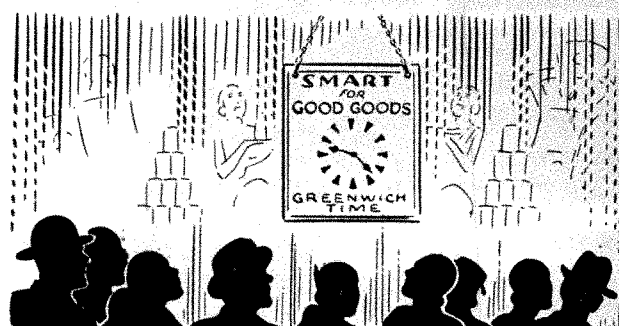
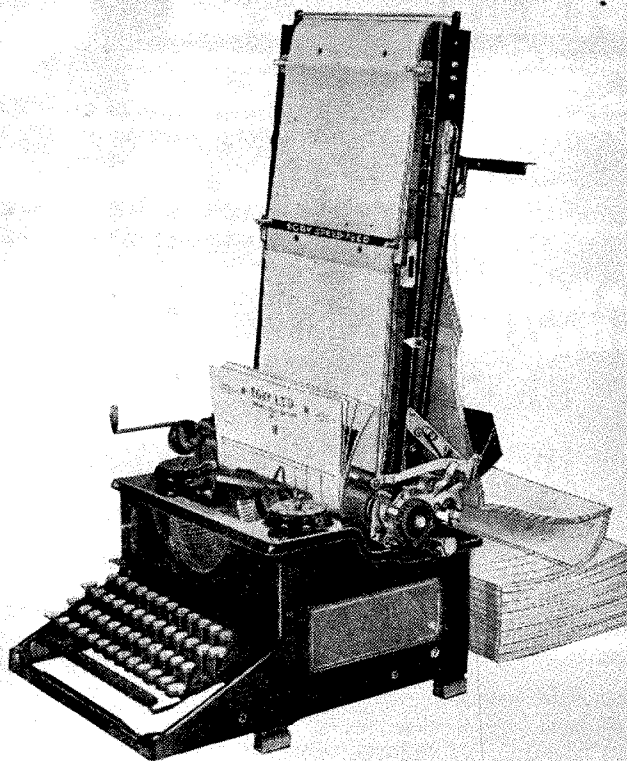
Ask also for particulars of the
EGRY MANIFOLDING REGISTER
FOR HAND-WRITTEN FORMS

EGRY LTD.

WARPLE WAY, ACTON, LONDON, W.3

TELEPHONES:
SHEpherds Bush 3377 (3 lines)

TELEGRAMS:
EGRYCOMPAK,
EALUX, LONDON



THEY PASSED BY WITHOUT LOOKING

UNTIL a Smith's Synchronous Electric Clock appeared in the window. Now it attracts the attention of all. To strangers it is a novelty, and regular passers-by look at it habitually. It is unfailingly accurate, and does not interfere with the window display for it never needs winding or regulating.

SMITH'S SYNCHRONOUS ELECTRIC CLOCKS

are available wherever A.C. mains are time-controlled, and cost only a few pence a year to run. There are attractive, inexpensive models for the one-store retailer; special designs submitted to large users.

Please write for
illustrated brochure to

Smith's English Clocks Limited

CRICKLEWOOD WORKS
LONDON, N.W.2

Look for this emblem
on the next clock
you buy.



PLUG IN TO GREENWICH TIME

Scientific

BUSINESS EQUIPMENT SERVICES & SUPPLIES

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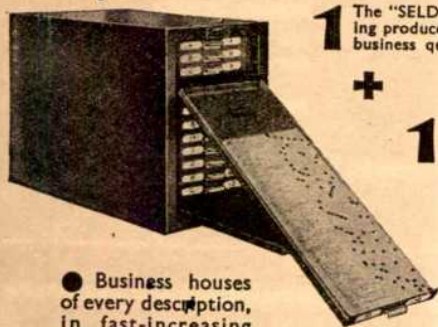
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BUSINESS

APRIL, 1934

MANAGEMENT • CONTROL • POLICY

From Local Trade To World-Wide Markets Through This 5-Year Plan

H. TAYLOR

General Manager: Joseph Lingford & Son

In 1930 this firm, after 71 years' trading, began to "think it over".

We were still making money, but we were years behind the times. Our office was primitive. All the ledger work, for example, was done by two employees, a mother and her daughter, by hand. Letters came, and were answered—sometimes. There was a fairly large staff in the factory and many employees had been with us for years. Indeed, in several cases there was a family tradition of long service with the firm. Yet we were prosperous . . . we made money.

Most things which could be left undone to gain still more prosperity was left undone, and it is not too much to say that prosperity came to us in spite of ourselves.

This was due solely to the excellence of our product, baking powder. The recipe had come to us in somewhat romantic circumstances many years before, and since that day it had never been tampered with. We had always insisted that only the very best of raw materials should be used (during the war we actually took the product off the market because raw materials of the necessary high standard could not be obtained). We worked on the basis that a good product would largely sell itself, and to an extent it did, for over 70 years.

We had to Deal with this New Competition

In 1928, however, we became perturbed by the growing popularity of

packet mixtures and shop-made cakes, and signs were not wanting that our business was calling for special attention. We bore in mind the Shakespearean maxim: "The fault, dear Brutus, is not in our stars, but in ourselves", and so proceeded to examine ourselves thoroughly.

Obviously, it was essential to reorganize our whole construction so that we could:—

- (a) largely increase the sales of our staple product, baking powder.
- (b) to put some new, good-selling lines on the market.

What were our assets and liabilities for this? First, as to the assets, we had an assured market for baking powder in the North of England. Secondly, our staff, if somewhat old-fashioned in training and ability, were supremely loyal and devoted to the firm.

The liabilities were fairly heavy; the general easy-going condition of the organization, the fact that for many years the firm had been, as it were, resting on laurels won in the last century, and lastly, the consequent traditions which had grown up with the growth of the firm.

1st YEAR: Reorganization of every internal department, but retaining one-man control. Search for new selling lines

2nd YEAR: Tuning-up of staff. Sales planning

3rd YEAR: Extended sales planning to nationwide extent. Overseas agents. Tuning up factory

4th YEAR: Actual Marketing original and new lines at home and abroad

5th YEAR: General rounding-off whole scheme. Delegation of internal authority so business will 'run itself' •

This last was first disposed of. None of these traditions were broken. No employee was dismissed as a result of the reorganization, and no wages or salaries were reduced by one penny.

There was No Need to Curb Staff Amenities

None of the welfare work which the founder of the firm, a Quaker and a man genuinely interested in the welfare of his employees, had inaugurated so many years ago, was curtailed. On the contrary, it was increased by the introduction of a pension insurance scheme, a savings bank, sports clubs, the appointment of a woman supervisor, sick-pay schemes, holidays with pay, and social work generally.

Next we turned to the actual reorganization. Here the problem was more difficult to solve. There was only the sketchiest of sales organizations; the plant was adequate for the required

output, but that was all. New products had to be found which would be of the required high standard, but in addition they had to be saleable, not only in the North of England but in the rest of the country as well.

There is no point in making an organization for the marketing of goods when one has not the goods to market, so the first thing we did was to put technicians on the job of investigating the public's requirements and of finding new products which they needed. We did not open our own laboratory; at the time the position of the firm did not warrant such an expansion. Instead, we secured the co-operation of a number of friendly firms with adequate technical research organizations and "borrowed" their men.

New Product with a New Characteristic

The first thing we wanted was a new liver salt to put on the market, which "must not only be a very good liver salt but must have at least one distinctive feature, which would distinguish it from all other liver salts". In other words, the new product must be like our baking powder, something which would sell on its intrinsic merits alone, without the aid of advertising. None the less, in order to get the maximum sale, we proposed to give our products good backing by advertising.

Technicians cannot be hurried when they are asked to produce something which is unique, so we now gave our attention to the organization of the factory and the sales side. In one way we had to start with a heavy handicap in the form of the customs and methods in which the firm had gradually become fixed. As an offset to this, we had the loyalty and the interest of our employees and the assured market for our seventy-one-year-old baking powder which would continue to bring in revenue during the period of the reorganization—in these respects we were fortunate.

We could, therefore, afford to under-

take this reorganization thoroughly, placing every new activity on a sound basis, the result of mature thought and consideration. Accordingly, a plan of campaign was drawn up which covered a period of five years: 1st Year, General internal reorganization and search for new lines. 2nd Year, Sales planning. "Tuning-up" of the staff. 3rd Year, Extended sales planning, and preparation for national marketing scheme. 4th Year, The actual marketing of the new products at home and abroad. 5th Year, General finishing-off of the scheme. Delegation of authority, so that the business is largely able to run itself.

This plan was commenced in 1930, so that 1934 is the fourth year of its life. Briefly, our activities were as set out below.

These New Plans Replaced the Old

In the first year we thoroughly overhauled the internal working of the fac-

"For five minutes each morning and afternoon we stop all machinery and workers relax. It makes a wonderful difference."

tory. Special machinery for packaging was designed and installed. Next, the goods were re-packaged, but the main features of the old designs were retained.

The internal economy was scrutinized, and the staff was examined in order to find the best way of obtaining the maximum efficiency. One successful innovation was a complete break of five minutes each morning and afternoon, when every scrap of machinery and work is stopped and refreshments are served. The workers can spend these five minutes anywhere they please except in the room in which they work.

Such a chance to relax is of great value in the promotion of efficiency.

The old office was completely turned out, and an up-to-the-minute office organization took its place. Every single activity of the firm, purchasing, sales promotion, staff control, accounting, advertising, insurance, was given the utmost flexibility, for we anticipated great increases of business during the next two years. No office manager, sales manager or an advertising manager were appointed, for the whole reorganization was, we considered, best in the hands of one man. The time for the delegation of authority would come later.

By giving the office staff this opportunity of becoming completely familiar with the working of the new system before it was loaded to its full capacity, there was the least possible risk of confusion when the state in which we desired to see the business should come about.

The purchasing side of the business was also overhauled. We did not interfere with our supplies of raw materials but we checked them up. Most of them had been completely satisfactory for many years and investigation mainly suggested that they would continue to be so. Further, the suppliers were all seeking new products for the

We Have Six "Quotes" for Every Item

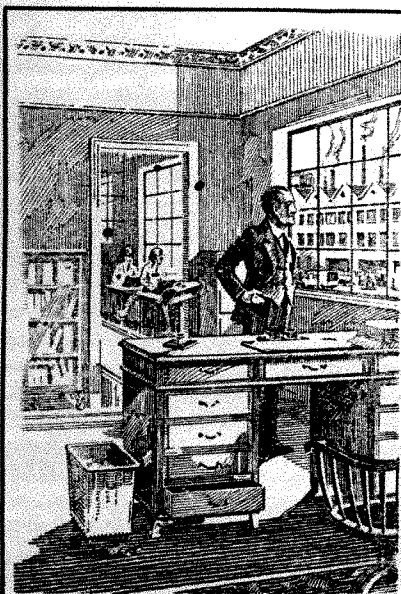
A system of purchasing for everything, from plant to paper clips, was instituted, which enables us to get the most advantageous price on every occasion. Nothing is ever bought until we have had six quotations for it. This rule is inflexible. Every quotation is filed away for future reference. Whenever a repeat order is necessary, six quotations are asked for again, and at least one of them must be from a firm with which we have not previously dealt. This means that we are constantly revising the prices which we pay, and keeping ourselves informed of the developments of the whole range of materials which we desire.

During our second year the liver salt was ready for the market, and plans were made to give it a try-out in the next year.

In past years our few representatives had not done much competitive selling. They had their assured market for baking powder, and they did not make any particular effort to extend it. How to bring them into line with the rest of the developments in the firm was an important problem. We had to sell to them the new ideas motivating the firm before they could sell to new customers, who, in their turn, would make the public "Lingford-minded". We also added to our sales staff, three men in the first year, then ten, then in 1933 some forty in all.

A series of bulletins to our salesmen was started in our first year, with the idea that by reading them the salesmen would become more and more convinced of the worth of the product

(Continued on page 29)



During the first four years of our plan the expansion was carried on through one-man control. This year we have the delicate task of delegating authority so that the chief executives assume full responsibility. Our organisation must 'run itself.'

What Other Executives Do

Illusion Saves £3,000

"We saved over £3,000 a year in costs by changing the colour scheme of our toilet powder cartons from a combination of pale shades to black and gold. "By an optical illusion the new packs appeared to be the same size as the old ones. Actually they were made slightly smaller and held a little less of each product. As they sold at the original prices, the profit, naturally, was a little more."

Managing Director of a Toilet Manufactory.

"We decided, therefore, to draw up a selected list of prospects and to send invitations only to these, by direct mail. These specially printed invitations, with each recipient's name filled in and a printed request that the recipient bring along her card and give it up at the door of the salon, had good effect. Not only did they limit the attendances to worthwhile prospects, but, making the visitors feel that they were individually favoured, had a persuading effect on their tendency to purchase."

General Manager of a Departmental Store.

These Plans and Ideas are taken at random from our record and correspondence files. Can you fit any of them into YOUR organization?

No 'Dead' Customers

"Forty years ago my employer lost a good customer through a tactless letter which I sent regarding payment of an account. I got my marching orders that same day.

"The moment I myself became an employer I laid down a strict rule—which is still in force—that no collection letter should leave my firm unless I had seen and approved it. Our customer 'deaths' have been very, very small."

Governing Director of a Nationally-known Concern.

Newer Lines More Profit

"For six consecutive years we have made an increased net profit. We have done it by reducing our range of products from 30 to 17 and planning straight production. One of our chief lines costs half what it did three years ago, and, thanks to our research men, is at the same time 50 per cent lighter and stronger. Of this one line alone we now sell 4½ times the quantity we used to and at a higher margin of net profit, though the selling price is lower."

Director of a Pipe and Conduit Factory.

They Know Where I Am

"None of my chief executives has to waste time inquiring for me when I am out. As soon as I leave the building my secretary turns a switch which lights up an unobtrusive green bulb in the room of each of my chief men. When I return the light is switched off and they know that I am 'at home'."

From a Managing Director.

Can You Save Rent?

"We had offices in the West End and a fine, commodious factory about five miles out. In fifteen years of business our offices had naturally grown. We had the whole of one floor in a West End building at a rental of £950 a year.

"In a casual way one day someone said: Why not move half your office departments out to the factory, you've plenty of room there?"

"We pondered that idea, liked it, and carried it out.

"By very carefully selecting certain departments that would not be upset by the transference, we reduced the West End departments by half and moved to smaller offices a floor higher at a rental of £350.

"We thus saved £600 a year, and still kept everybody happy."

From an Electrical Appliance Manufacturer.

Gets More Prospects

"To get people to attend our periodical fashion parades we used to publish the date of the parades in our newspaper advertisements and on window bills.

"By these means we secured maximum attendances, but we were not satisfied that the people were of the right kind, many were obviously mere sightseers and not prospective customers at all."

Here's NEW Business

A new small roller for tennis courts, golf greens, etc. It is driven by a light petrol engine and can be controlled by one man.

An improved material for use in the seating accommodation of motor-coaches, omnibuses, and for mattresses in ambulances and hospitals. It is said to have many advantages over both air and water cushions. Its cleanliness and hygienic properties recommend it to the proprietors of motor-buses which must cater for very mixed types of passengers.

For those who suddenly find themselves condemned to shave in the dark, or for those whose bathroom is not adequately lighted, a new safety-razor fitted with battery and bulb to illuminate the face has been introduced.

A flexible wallboard is being marketed which can be laid over wide areas of wall without joints. It is supplied in rolls 75 feet long and 60 feet wide. This will be particularly useful for offices in which the problem of dust is serious. Its surface will take any sort of paint and varnish.

A small cone which, placed in the petrol filter pipe of a motor vehicle, prevents the

possibility of fire through back flash from the carburettor or any other cause. The cone is perforated, and works on the same principle as the Davy lamp. If fitted to large petrol-storage tanks it reduces wastage through vaporization and other causes by 50 to 70 per cent.

An American firm has produced a cordless electric iron. Placing the iron on the base automatically switches on the current and heats the iron.

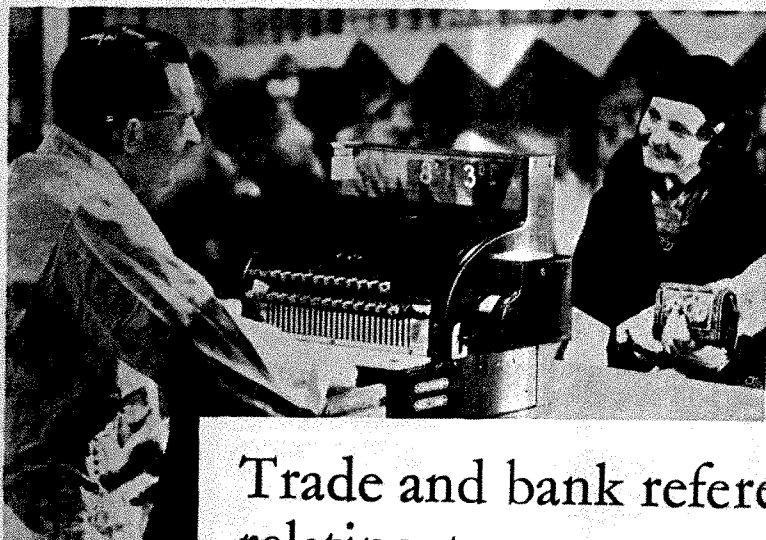
A textile fabric made from vegetable fibres hitherto considered to be useless from the industrial point of view will shortly be available. The material closely resembles linen.

An ink which will not stain hands or fabric, but cannot be chemically eradicated or washed from paper is being introduced by a well-known ink manufacturer in the U.S.A.

Very useful for factories is a new one-man mechanical floor-sweeping brush. Very similar to the diagonal brush of the old horse-drawn dust-carts, it sweeps a wide area in remarkably short time.



How We Reduce Credit



Trade and bank references relating to new customers proved almost worthless, so we drew up this new procedure. Our salesmen operate it

By

G. D. GARDNER

Organization Manager:

Horlick's Malted Milk Co., Ltd.

tial for the office to have, and to set down the various points which a representative should observe when determining the customer's status. From these two groups of information we drew up an octavo form, put up in pads of 100.

Last, we wrote an eleven-page instructional pamphlet for the representative. The scope of this pamphlet was as follows:

An introductory passage, followed by a tabulation of our bad debts for the preceding year, classified by trade and sub-divided into (a) Bankruptcies; (b) Deeds of Arrangement; (c) Cases where the debtors had no effects and (d) where we had written off the outstanding accounts.

Next an explanation of a new scale of credit limits, how they operated and when they applied. Then an explanation of how the office used these limits when orders were being O.K'd for credit. We included also a table of bankruptcies for England and Wales for the preceding year for most of the trades in which we were interested, and the average liability in each trade.

We stressed the fact that trade and bank references were useless, but that the representative's recommendation, if scientifically made, was of great value. By "scientifically" we meant a decision based on carefully observed facts, and not biased by a natural wish to open an account and book an order.

A specimen of the new form was attached to the pamphlet, and the representative was asked to refer to it whilst he read our explanation of its use. The form is reproduced here, and you are invited to refer to it whilst reading the covering pamphlet, which was as follows:

INSTRUCTIONS TO SALESMEN

Heading: "We want you to send us one of these forms whenever you open a new account, or need to advise us of a correction, or of an account being closed."

1. "This is for your name and for the date."

2. **Name and Address:** "Please fill in customer's name and address in block capitals. In the case of individuals, do not omit to state whether they are Mr., Mrs., or Miss. It is of great importance that all this should be filled in with scrupulous accuracy. Do not omit to state the county. There

When we open a new account there is a procedure we follow which reduces to a minimum the risk of bad debts. I have outlined this procedure, briefly, as it is possible that one method may be of interest to readers who have conditions similar to ours, i.e., a manufacturing concern selling to wholesalers and retailers and other outlets of many types.

For many years a tabular record of bad debts had been kept, and, with this as a base, we investigated the credit history of each defalcant. This was done by referring to the files (most of them "transferred") to ascertain what reports we had obtained in the first instance, and what "news" we had received since. This was supplemented by a study of their accounts in the sales ledgers to ascertain if they had been habitual slow payers, or whether failure had come unheralded.

Bank and Trade References Proved Useless

Prior to the investigation our representatives had usually obtained one bank and two trade references. The first conclusion which we soon reached was that trade and bank references were of little value. The largest bad debt during the period under review was incurred with a firm about which we had had four good trade reports and the usual non-committal bank reports only a few months before.

Retailers who are not too sound usually pay promptly at least one or two important suppliers, at the expense of the rest.

Naturally, those promptly-paid suppliers are given as references, and, quite honestly, they are able to give satisfactory reports.

The second conclusion we reached was that agency reports furnished a far more accurate view, but it was held out that the cost of the "coupon" was a disadvantage. Not everybody, however, realizes what an expensive item a business letter can be, and the cost of letters to two traders and one bank and the handling and filing of replies can easily cost as much as one coupon.

We decided in principle, therefore, that trade and bank references should be discontinued and that agency reports should be obtained instead.

It was further decided—in view of our satisfactory account collection procedure—that we should not obtain even an agency report for credit limits of £12 or under, unless the representative wished us to do so.

The representative, we believed, was the best man to ascertain to what extent credit should be allowed, but we qualified this by the proviso: "If he knows how to do it."

Some representatives are more successful than others at this side of their business; they seem to have a flair for it. But others can be given some elementary advice which will assist them in assessing credit risks.

How Our Salesmen Assess Credit Risks

Our next step was to record the items of basic information which it was essen-

Risks when Opening NEW ACCOUNTS

are a number of places located in one county which have a postal address as being near a large town in an adjacent county. In such cases you should give the postal address in this panel and add a note stating the county in which it is actually located."

3. Proprietor's Name: "When the proprietor's name is different from the trading style it is most important that you should find out and record the proprietor's name."

4. Trade Classification: "Enter the customer's trade. (Travellers have been provided with a schedule of 39 outlets into which our sales are analysed. They have to conform with the terminology of this schedule and quote trade number.)"

5. Establishment Year: "It does not matter how long the proprietor has been in business; that it of secondary importance. We want to know how long the present owner has been trading in his present premises."

6. Limited Company: "If the customer is a limited company, give the address of the registered office if different from the one quoted above."

7. Branches: "State towns where there are branches. Not only does this indicate 'calibre' but clears the ground for us in the event of orders arriving from some other town. Often it has happened that we have received orders from firms of similar names in other towns, and we have been left to guess the relationship, if any."

8. Instructions: "Special invoicing, dispatch or account instructions to be entered here. At all times try and induce customers who want 'something different' to conform to our regular routine."

9. Premises: "Try and find out if the premises are owned or rented, and tick the answer; also tick whether they are large, medium or small."

10. Employees: "Fill in the number; it helps us to visualize the size of the establishment."

11. Furnishings: "A clue to the customer's standing may be obtained from the character of the window, fittings and counter. Whilst good furnishings do not necessarily mean solvency—poor furnishings are significant."

12. Proprietary Lines: "The range of his supplies indicates the extent of his business. Tick whether he carries many lines, an average number, or only a few."

13. Class of Business: "Tick whether his trade is high, medium or poor. In most cases you will be able to gauge this from the locality, and from the type of people who enter the shop."

14. Stocks: "Always note what volume of stock is carried. A big volume is a useful point, but a small volume is not necessarily adversely significant. There may be more 'down the yard'."

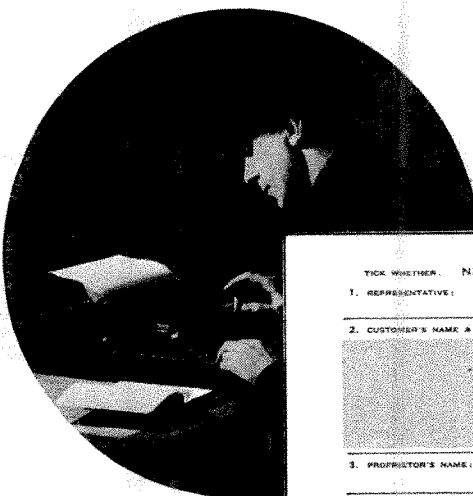
15. Competence: "This is a bull point. Many failures are brought about or accelerated by incompetence. You will be able to sense if the business (externally) is run competently. *Are the assistants on the alert? Do they give quick and courteous service? Does the proprietor know what his stocks are, and what his future requirements are likely to be?* In short, is the management businesslike? Your observations must be limited by the fact that you have to judge by externals. Unfortunately,

you will not be able to find out how the books are kept (or what they reveal)."

16. Remarks: "If you have any further relevant remarks to make, use this panel."

17. Limits: "You have the scale of limits. After you have made every possible observation, tick the limit which you recommend."

18. Monthly Credit Only: "We do not ordinarily decline to supply customers when their account is only one month old and the balance due is below the limit. But there will be cases when it may be expedient not to supply when a month-old debit is unpaid. In such cases, tick this panel."



This is the salesman's form. It is designed so that the space for answers is exactly suited for type-writing

BY THESE FORMS
WE HAVE—

Reduced bad Debts

Saved money by
fewer agency investigation fees

Provided the office
with error-proof information

TICK WHETHER: NEW ACCOUNT: CORRECTION: CLOSED			
1. REPRESENTATIVE:		DATE:	
2. CUSTOMER'S NAME & ADDRESS:			
3. PROPRIETOR'S NAME:			
4. TRADE CLASS:		5. YEAR OF PRESENT OWNER'S ESTABLISHMENT HERE:	
6. IF LIMITED COMPANY, ADDRESS OF REGISTERED OFFICE:			
7. BRANCHES:			
8. INSTRUCTIONS:			
9. TICK WHETHER OWNED: RENTED: LARGE: MEDIUM: SMALL: PREMISES ARE:		10. STATE NUMBER OF EMPLOYEES:	
11. TICK WHETHER FURNISHINGS ARE: GOOD: MEDIUM: POOR:		12. OF PROPRIETARY LINES: MANY: AVERAGE: FEW: TICK WHETHER HE CARRIES:	
13. TICK WHETHER HIS TRADE IS: HIGH: MEDIUM: POOR:		14. TICK WHETHER HIS STOCKS ARE: BIG: MEDIUM: SMALL:	
15. TICK WHETHER SHOP IS RUN: COMPETENTLY: MEDIUM: INCOMPETENTLY:			
16. REMARKS:			
17. TICK LIMIT RECOMMENDED: PRO: FORMAL: C.O.D. 12/6. 20/-. 30/-. 40/-. 50/-. 60/-. 70/-. 80/-. 90/-. 100/-. 110/-. 120/-. 130/-. 140/-. 150/-. 160/-. 170/-. 180/-. 190/-. 200/-. 210/-. 220/-. 230/-. 240/-. 250/-. 260/-. 270/-. 280/-. 290/-. 300/-. 310/-. 320/-. 330/-. 340/-. 350/-. 360/-. 370/-. 380/-. 390/-. 400/-. 410/-. 420/-. 430/-. 440/-. 450/-. 460/-. 470/-. 480/-. 490/-. 500/-. 510/-. 520/-. 530/-. 540/-. 550/-. 560/-. 570/-. 580/-. 590/-. 600/-. 610/-. 620/-. 630/-. 640/-. 650/-. 660/-. 670/-. 680/-. 690/-. 700/-. 710/-. 720/-. 730/-. 740/-. 750/-. 760/-. 770/-. 780/-. 790/-. 800/-. 810/-. 820/-. 830/-. 840/-. 850/-. 860/-. 870/-. 880/-. 890/-. 900/-. 910/-. 920/-. 930/-. 940/-. 950/-. 960/-. 970/-. 980/-. 990/-. 1000/-. 1010/-. 1020/-. 1030/-. 1040/-. 1050/-. 1060/-. 1070/-. 1080/-. 1090/-. 1100/-. 1110/-. 1120/-. 1130/-. 1140/-. 1150/-. 1160/-. 1170/-. 1180/-. 1190/-. 1200/-. 1210/-. 1220/-. 1230/-. 1240/-. 1250/-. 1260/-. 1270/-. 1280/-. 1290/-. 1300/-. 1310/-. 1320/-. 1330/-. 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19. Agency Report: "We shall not obtain reports for limits of £12 or under. But there may be cases where you feel that, under the surface, all is not well, and that your observations should be supplemented by further information. When you recommend a limit of £12 or below and want us to check-up by obtaining an agency report, tick this panel."

20. Change of Title: "When you use this form as a CORRECTION, and have given the corrected address in panel 2, give the old title (if the title is changed) in this panel. It will facilitate reference. When you use the form for a CLOSED Account, it is only necessary to fill in panel 2. When a business is taken over by a new proprietor, submit the form as a NEW ACCOUNT form."

For Office Use: The panels at the foot are for use in the office. In them we record the credit limit fixed and the initials of the manager who approved it. There are panels for the initials of the clerks who head up the ledger sheets and customer's sales record card, also for the initials of the sales department manager who looks after the class of customer concerned.

"We hope these notes will have assisted you by codifying the fundamental observations which you ought

to make and report. There are one or two more which you should make but need not report, namely:

"How does the new customer compare with an old customer whom you know to be a good credit risk, on the following points? Experience; Aggressiveness; Salesmanship; Attentiveness to business; Self-confidence; Enthusiasm; System; Popularity; Frankness; Willingness to learn.

"You may say that, at a first interview, you cannot cover all these points. That is quite possible. But you may be able to cover many of them. *Be particularly on the look-out for the presence of bad signs rather than the presence of good ones.*

"When you have given yourself mental answers to these questions and observed all the observable things, what is the result? Is it this:

"You are in a position to form an opinion and only an opinion. You cannot tell for certain what the credit risk really is. But if you have made your observations carefully and without prejudice, and if your answers are satisfactory, you can be assured that the betting is against insolvency."

"We make no apology for writing

you at length on this subject. Account collection is an important part of our work, and the foundation is the determination of the credit risk. In future, we are leaving this more in your hands than before because we believe that it is the most effective method."

All Our Reports Are Now More Accurate

We have, through this New Account Form, all the basic information which we require. We no longer have misspelt names and addresses, no doubts about proprietorships, no errors in heading up ledger sheets, sales cards or folders for the files. There is no chance of any step in the routine being overlooked.

Representatives can fill in the forms either by hand or typewriter—the spacings being such that it is suitable for typewritten work.

The forms have been in use for over a year and:

1. Money has been saved by not taking up references.
2. The credit position—already—has improved.
3. The office gets *all* the information it wants, *when* it is wanted, in a convenient error-proof form.
4. Mistakes and misunderstandings through incomplete advice have been done away with.

THE BROADER VIEW

Radical—And Perhaps Right



Somewhere recently I heard a comparison drawn between businesses and men. Like man, a business often starts feebly, and grows rapidly during its youth,

when it becomes vigorous and flourishing. Later it attains a certain maturity as it spreads out with intelligently directed power and strength.

But after the prime of life comes old age, and here, unfortunately, the parallel is all too strong. Businesses at this stage tend to become over-conservative; they shy away from new ideas; they withdraw into themselves, and stick to the policies of a past generation. Eventually many of them reach the end of their usefulness and die.

This need not be so. A business, however long established, can remain young and enterprising. It can change with the times, and increase its strength and influence, rather than "go to seed".

Businesses are man-made; they need

not follow the life-cycle of man if they make it a point to take on young men with young minds from time to time and study their reactions to the policies and methods of the business. Their reactions may be radical—and they may also be right!

Questioning Minds are Safer Minds

It is human nature for a man to sell himself a theory about any given situation. In doing so he tends to close his mind to the ideas of others and to facts as they develop. He is so wedded to his theory that his perception is dulled.

How much better, instead of crystallizing one's beliefs or "hunches" into a definite theory, to fill one's mind with the questions leading to this theory, but to leave it for time to answer the questions; and leave room for other questions, as well as facts, to enter.

By
ROBERT
R. UPDEGRAFF

A man can guard himself from surprise in this way so far as the danger of being caught napping is concerned; and he runs less danger of being caught off his guard by some entirely different working out of the situation that is outside of his theory.

Ask for What You Want

If we went about life asking simply and directly for the things we want and need we would, I feel sure, be surprised at how many of our requests would be granted. Instead, we take it for granted that we cannot have things, do things, see things, go to places, meet people, be excused from things we do not want to do. And in accepting this we miss much of life and adventure.

"Ask and ye shall receive" should be taken more literally.

Mental Energy Released

Have you been following the progress of business calculating machines in recent years? Their advance is amazing. Small, compact machines now perform calculations that are better than human.

It is not difficult for even those of us who are young to recall the time when the first crude adding machine startled the business world. Now there is hardly a mathematical problem in business that cannot be solved by touching a few keys.

This means that in business individuals are being freed from mental drudgery, just as labour has been largely freed from physical drudgery. The heads of business enterprises should take advantage of this development and encourage their personnel to use the mental energy that has been freed by business machines to do more creative and constructive work.

HOME TRADE CURVE STILL RISING

Some over-cautious observers think they note a slight dip in the business curve. We do not agree. The sound and progressive upward tendency continues.

The fault with the above observers is that, having seen substantial and steady gains for successive months, they expect statistics and activity to move up uniformly and without ceasing week by week. First they moan over the increase in unemployment in January; overlooking that January always shows a seasonable drop, that the drop was less than a year ago, that it would doubtless be followed by decreases—which actually occurred in February and March. They then shook their heads over the fact that one of the recent weekly traffic returns has shown a drop on last year, although the month as a whole showed an increase, and the same week a year ago had happened to be exceptionally large, being above the preceding year.

These Figures Show The Rise

No one can deny in face of the current month's figures that the upward tendency is definitely continuing: they are all favourable:

EMPLOYMENT—Down by 71,000 on last month—by 538,000 on a year ago.

TRADE—Up by 7.6%, £2,132,000 on a year ago, for the second month in succession.

TRADE—Up by 3% on a year ago.

CLEARINGS in Provinces Up by 10% in latest weeks' figures on a year ago.

RAILWAY TRAFFICS—Up in last seven weeks by £1,200,000 on last year.

CABLE TRAFFICS—Up by 3 points on both last year and last month.

PRODUCTION—Up on preceding month in all the basic industries.

INDUSTRIAL ACTIVITY—Up for the last quarter by 10% on last year, the highest since March, 1930.

ELECTRICITY CONSUMPTION—Up by 11% in January-February, 1934, as compared with January-February, 1933—and of late a significant in industrial consumption.

BUILDING INDUSTRY—Estimated cost for buildings of which plans have been passed was £7,910,300 as against £6,019,000 in February, 1933.

WHOLESALE PRICES—Up by 6% on last year, 0.7% on last month.

COST OF LIVING—Down by 1% last year.

SECURITIES MARKET—Up, especially in industrial shares which mean that investors know that current business and profits are still rising.

NATIONAL BUDGET—Surplus Up—will probably reach £40,000,000 for the year and afford a surplus of over £60,000,000 for next year, enough to restore cuts partially and decrease income tax by 6d.

NATIONAL TRADE BALANCE—Up by £52,000,000 on a year ago, £100,000,000 on 2 years ago, pointing to a favourable trade balance for this year.

EMPIRE TRADE—Up in all main quarters, as shown in more detail below.

FOREIGN TRADE AGREEMENTS—Being added to steadily.

What Industries are Progressing Most

Decreases in unemployment, increases in production, expansion of exports, are evidences of progress. These are the industries.

COAL MINING: Unemployment Down by 34,000 on a year ago. Production last quarter of 1933 Up by 8,500,000 tons on 1932, and first 7 weeks on this year up by 1,500,000 tons on last year. Exports up by 3% on 1932.

Counties Report: Two counties show results 5% better than last year, one county 6% better; on the Yorkshire coalfield position is 2% worse than last year.

IRON AND STEEL: Unemployment Down by 28,000 on a year ago, 1,500 on a month ago. Five additional furnaces in blast last month. Production up by 54% in iron and 60% in steel on last year; daily average increase on last month 4%. Exports increased by nearly 10%. Imports decreased 39%.

SHIPBUILDING: Unemployment Down by 21,000 on last year. Tonnage under construction has increased steadily for the last few months.

ENGINEERING, MOTORS AND METAL GOODS: Unemployment Down by 126,000 on a year ago, 6,000 on last month. Exports Up by nearly £2,000,000 on first two months of 1933.

BUILDING AND PUBLIC WORKS: Unemployment Down by 89,000 on a year ago, 30,000 on last month alone. And this carries with it, of course, marked increases in building materials industries.

WOOLLENS: Unemployment Down 20,000 on last year. Exports in all sections Up on last year.

COTTON: Unemployment Down by 30% on last year. Imports of raw cotton Up by 30 million lbs on last year.

RAYON: Output 43% Up on last year.

POTTERY: Unemployment Down by 12% on last year. 3% on last month.

FURNITURE: Unemployment Down from 23% in February 1933 to 17.3% in January 1934 and to 16.7% in February 1934. Furniture sales Up by 15% on January 1933.

BOOT AND SHOE: Unemployment Down 3.5% on last year, 3.6% on last month. Exports Up 16% on last year.

DISTRIBUTIVE TRADES: Unemployment Down 20,000 on last year, 1.1% on last month. Turnover in last quarter of 1933 Up by 3.6% on 1932.

Cotton, Rayon and Wool

Whenever the business upturn was dwelt on, the pessimist used to say "Yes—but what about the great basic industries?" Now that coal, iron and steel, engineering, even shipbuilding, are among the upturned, he can no longer use this general phrase. But he still replies: "Yes—but what about cotton?"

Right. But in answering his question let us insist that we include rayon, wool and linen in with cotton. For the human race mostly wears and uses one or another of these textiles. Compared with 1929—Cotton production is down by 45%. Wool is down by 36%. But rayon is up 50%.

So on balance, textiles as a whole are down by 31% on the 1929 figure.

Now take recent history. In the last six months world consumption of cotton increased by 5½%. Our share of this increase was nearly one-third. Our spindle hours worked were increased. Unemployment in cotton has decreased by 3% since February of last year, in wool by 9%.

In rayon the huge increase of production has doubtless has a good effect on the employment situation, though actual figures are not available.

So the reply to "and what about textiles?" is "not

so bad". And even in the case of cotton above, isn't a decrease in employment of 24%, compared with 1929, more than made up for by the increased employment of 70% in the manufacture of electrical goods, and of 29% in the manufacture of concrete?

The Importance of the Building Boom

It is important to realize that a very considerable part of Britain's con-

tinuous upturn in the last six months is due to a real building boom.

Building accounts for more than one-third of the decrease in unemployment last month. It represents the largest single item in the decrease in unemployment since a year ago. And it has raised many other industries with it: building materials, furniture, hardware lines, carpets, electrical equipment, and some share of the iron and steel increase.

And one of the reasons we are optimistic regarding the coming months is that building activity is bound to continue as a result of the constantly widening plans of

the government and municipalities for slum clearance and new houses. We believe that so long as the present building progress continues, general business progress will continue.

All Parts of Empire Progressive

Throughout the Empire the same progressively favourable conditions more and more operate.

CANADA: Employment up 12% on a year ago.

Internal production up 22.3% on January 1932.

Exports increased by 7½% to the U.K. by nearly 20%.

Timber exports more than twice preceding year.

Imports declined by 11%, but from U.K. increased by 5%.

In January alone exports to U.K. were 40% above a year ago; to Empire 42%; to India alone 400%.

AUSTRALIA: Unemployment down one-quarter on a year ago.

Exports up by £14,177,000 on 1932.

Imports up by £2,100,000 on 1932.

Trade balance last six months times greater than a year ago.

Wool export values doubled on year.

Gold production up by 15%.

NEW ZEALAND: Exports up by 20% on a year ago.

Imports in January up by 17%.

Unemployment down by 28%.

INDIA: Imports from U.K. rise in proportion of 35.7% to 41%; increase distributed over all lines.

Exports up by 12%; imports down 12%; adverse balance transformed into favourable.

General business activity indicates real expansion.

Government revenue shows surplus.

SOUTH AFRICA: Gold boom has brought real prosperity.

Exports of basic commodities up 25%.

Imports up 34% on 1932.

Budget surplus of £5,000,000.

Is International Trade Improving?

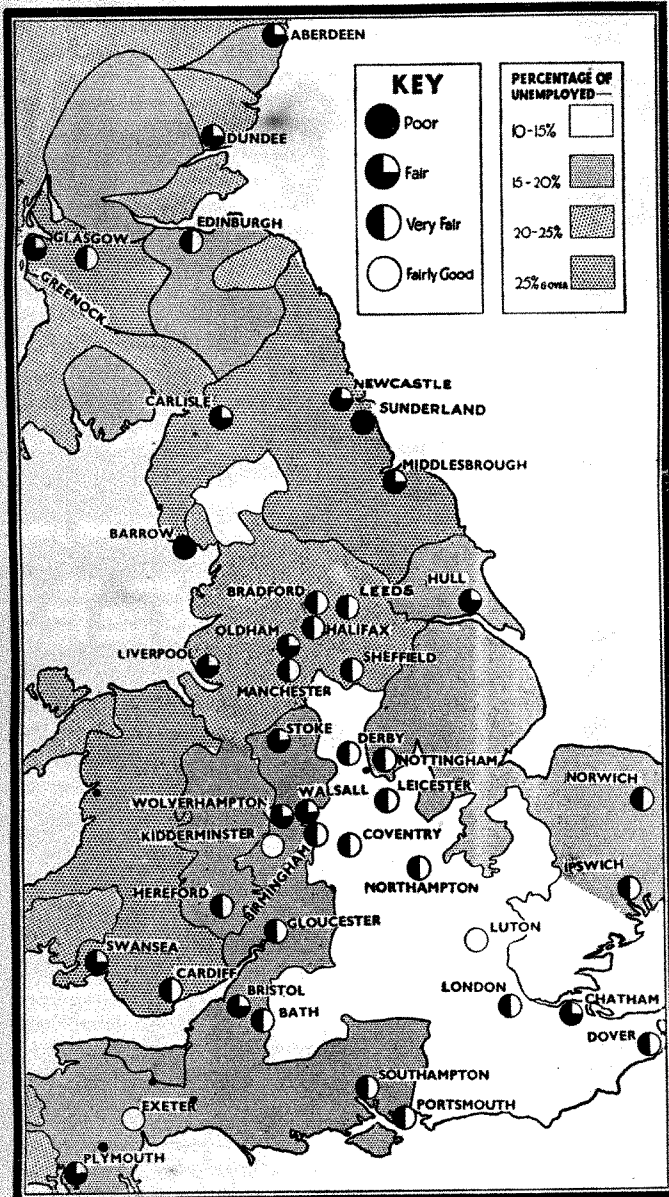
We have emphasized repeatedly that to maintain our trade improvement we must extend our exports. This we have been doing. Except for Japan, Britain is the only industrial nation to increase its exports last year.

But this was not due to general improvement in international trade, which in total volume fell last year. It was rather due to the Ottawa agreements, increased inter-Empire trade, and trade agreements with individual countries.

International trade is not improving. The only favourable indication is a tendency to appreciate the necessity of removing barriers and restrictions. But there is a long gap between this and actual trade improvement.

Our new trade agreements with Russia and Latvia have come into effect. The former already seems to have brought orders. Our agreement with Esthonia has not increased trade as it should because the Esthonians claim our manufacturers are showing no aggressive salesmanship. Steps towards an agreement with Poland have been taken. A new agreement with Turkey is suggested. Hitherto, Turkey's quotas have greatly restricted British

HERE IS THE SITUATION THIS MONTH



London District: Trade is fairly good. Employment has increased, and business activity is very marked. Retail sales have increased on the month, and the metropolitan bank clearings are up, certain indications that there is money about. The continued crop of good company reports has increased the confidence of the city, and an optimistic tone prevails.

E. & S. E. Districts: The official reports suggest that the situation in the agricultural areas has improved. Unemployment has decreased, particularly in Essex. The small industrial areas are fairly prosperous, and the fishing in January improved by 3,000 tons on the total for January, 1933.

Midlands: The iron and steel trade is prosperous, while manufacturers of motor-cars are still busy. There has been a seasonal falling off of orders, but arrears in delivery are being made up, and distributors are buying stocks in preparation for spring. The hardware trade is steadily improving, and plant extensions are reported from Wolverhampton.

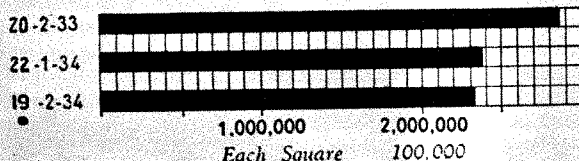
W. & S. W. Districts: In spite of a falling off in demand for iron and steel and coal in South Wales, there is a feeling of optimism, shown by the expansions in plant which are being made around Cardiff. Sales of tin plate are good, but there is little business in the coal export trade. Unemployment is still high, though there are prospects of a considerable decrease in the next few months.

N. E. District: Although unemployment remains high here also, there is a steady improvement on the Tees-side and Tyne-side. The iron and steel trade, here and in the West Riding, is forging ahead, and is extremely active. The West Riding textile trade is busy, and will probably be for some time in the future. A large decrease in unemployment is probable in the near future.

N. W. District: Engineering is showing improvement. The trade in raw cotton has improved, and the more stable dollar situation has led to a good deal of speculative buying. The world consumption of cotton has increased in the past year, and Lancashire has a fair share, though there is still room for improve-

UNEMPLOYMENT - DOWN

Number of Insured Persons Unemployed



Opportunities Offered by Trade Agreements

What these agreements can mean is illustrated by the figures below of the benefits to the coal trade that came last year through our agreements:—

	1931 Percentage	New Percentage
Denmark	43.5	80
Iceland	55.3	77
Norway	38.7	70
Sweden	23.6	47
Finland	29.4	75

Argentina will take 90% of her coal from Britain.

But these agreements merely afford opportunity; they must be followed up by aggressive trade pushing by British manufacturers and exporters.

Spain takes only 10% of her imports from us against 16% from the U.S.A., yet our imports from her are largely in excess of our exports. The expansion of British iron and steel will mean increased ore imports from Spain. Why cannot this be made conditional on an increase in Spanish imports of British coal which have decreased greatly?

There is one complaint about British business men which is made by all these potential customers, particularly by the Americans. We are not willing to study conditions at first-hand among these people to whom we want to sell. This is surely a fault to be corrected when the markets are so valuable and competition so keen.

World Trade Revival Not Yet Evident

In the five major industrial nations there does not yet appear any chance for increased trade.

GERMANY is still further restricting imports of raw materials, mainly by closer control of foreign exchange. The reasons are not our concern: certainly they are more political and military than economic. (Next year's budget shows a £15,000,000 increase in military expenditure, and another £22,000,000 indirectly so!) But the effect will be less imports—and probably also less exports. Internal production and employment are reported to be increasing, but can this be maintained in face of restricted raw material imports and exports?

We are told that the **FRENCH** economic outlook is better. If so, it is simply due to the general world upward swing. For France has several matters to clear up before her trade revival can start. Her political situation; unbalanced budget and governmental over-spending; her decline in exports which are still below last year; her adverse trade balance and her over-high tariffs, quotas and interference with international trade.

ITALY'S situation is better: unemployment down, agriculture up, exports down, imports up. But again she is not helping towards international trade as a whole. She is pursuing a narrow nationalist policy of increasing trade with her near neighbours. If her Italian-Austrian-Hungarian pact can shake off its political opposition, it may start a trade revival in the Balkans.

JAPAN has increased her exports but decreased her imports, so she is not buying more goods. There are signs that her international competition will not have the easy passage it has had in the last year.

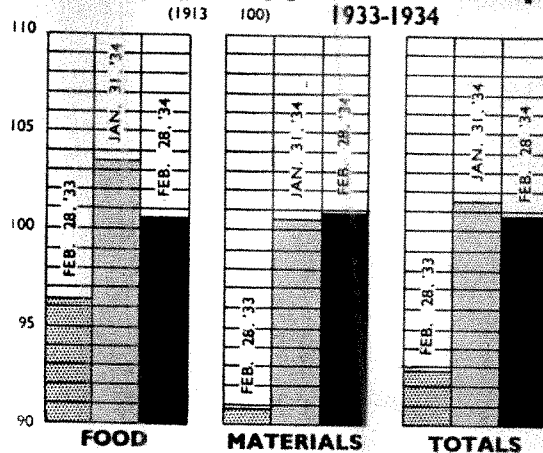
The situation in the **U.S.A.** is as we stated last month: her internal trade is increasing because of the outflow of money from government sources and

because, again, of the up-swing of the world trade pendulum. At the moment she shows an improved market for imports; and as the necessity of buying more from abroad in order to sell more abroad seems to be forcing itself upon her, she may for some time be an improved market.

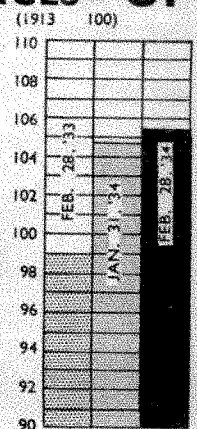
We still believe that U.S. business recovery is so artificially stimulated, so handicapped by social measures and economic experiments, that it is not a market to be depended on for long.

The general world upturn is not yet in sight.

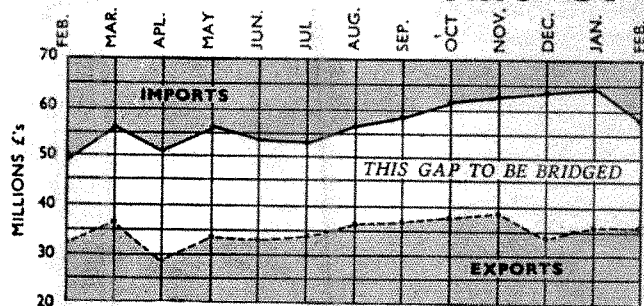
COMMODITY PRICES—DOWN



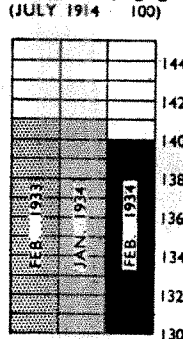
WHOLESALE PRICES—UP



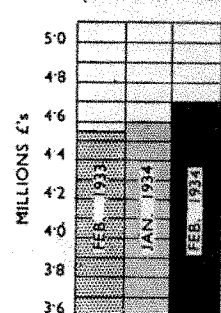
EXPORTS—UP



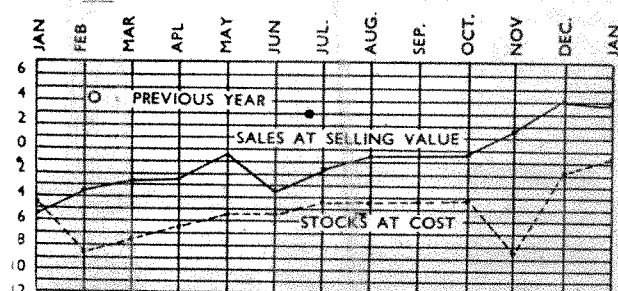
COST OF LIVING—DOWN



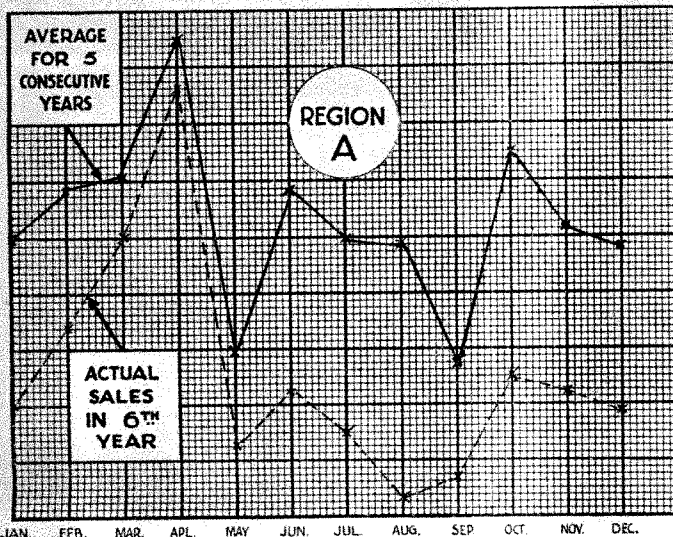
PROV. BANK CLEARINGS—UP



RETAIL SALES—UP



We Fit Our Sales Drives



Most firms with progressive sales departments are interested in, and compile, statistics and graphs of sales. But sales graphs refer to the past, not to the present or the future, and when responsible executives say, as they often do, that sales graphs "look pretty enough but anyway what do they tell us about the future?" they fail completely to understand the importance of sales graphs and the purpose they can be made to serve.

The information which follows is drawn from the experience of a well-known engineering firm making a product which could not possibly be called seasonal. In fact, for very many years the monthly sales had been even enough, allowing for the usual holiday disturbances. But when a close analysis of these sales figures was made, some very surprising facts emerged.

Until this analysis was made, the firm's publicity appropriation was divided in the usual way between trade and technical journal advertising and circularizing. The mailing list was arranged in five main groups, the first three in arbitrary order of importance and the remaining two "special lists". No importance was attached to geographical division.

The monthly sales figures were analysed into eight regional groups over a five-year period and the average monthly sales for five years plotted on a graph, an example of which is shown below. It was found that, while the average monthly sales fluctuated violently in the separate regions during this five-year period, the total sales for the month of all the eight regions spread themselves out evenly throughout the years.

In the next year, after the previous five years' sales had been analysed, the monthly sales in each of the eight regions were plotted on the same graph. The graph of Region "A", here reproduced shows the remarkable closeness

with which the monthly sales of the sixth year followed the trend of the five-year average monthly sales. Similar results were forthcoming in the remaining seven regions. It may be mentioned that the sixth year was a "gloom" year in the engineering trades generally, and, although the monthly

Regulates the hardest drives to the slackest sales periods

sales dropped in this region, yet the sales trend remained the same.

Here, then, were facts and figures which could be utilized for the far better purposes than the "pretty diagrams" might suggest to the unimaginative.

The firm's mailing list was entirely

To Meet SEASONAL VARIATIONS

By J. TRICKETT, B.A.

Publicity Manager: Ed. G. Herbert Ltd., Manch

re-arranged on the regional system. Under the old system, advertising matter had been sent to some regions when the buying trend was at its low and other regions had been missed when they were at the top of their buying trend. Following what seemed a fairly safe guide to the buying trend of each separate region, the advertising was arranged according to buying periods. Subsequent results have proved while circularizing a plan has not evened out the sales in each region, nevertheless the total have been raised still higher with the subsequent rise in the total monthly sales of all the regions.

Without claiming that this system of circularizing to regional sales even approaches infallibility, or even entering into discussion of forecasting, the writer is of the opinion that there are many firms doing seasonal trade which could well undertake a similar regional plan with their own sales over a given year. It is an attempt to gain some knowledge in the difficult and inexact art of advertising.

TRY THESE IDEAS

They Have Increased Sales

OBVIATES DISAPPOINTED CUSTOMERS

An ingenious and economical method of sampling is being advertised by a well-known chemical firm. A special large container is being issued, on the top of which is a small packet. The buyer is requested to try the small packet first. If he is not satisfied with it, he can return the larger packet to the dealer and have the price refunded. This seems an admirable way of limiting the cost of sampling to a reasonable percentage of the new sales it creates.

REDUCES CATALOGUE EXPENSES

A firm of Agricultural Tool Manufacturers issues a very-well-produced catalogue, far too costly a volume to distribute

indiscriminately. Before the date of publication, therefore, a circular letter, a brief précis of its contents, is sent to all customers and prospects, together with a business pre-paid postcard to those who wish to receive a copy catalogue.

The letter emphasizes the fact that a request for the catalogue will be followed by visits from salesmen, and it implies no obligation.

In this way, the firm makes sure the true value of the catalogue is attained, and that it is read by those most likely to be real business prospects.

MAKES SALESMEN GOOD TALKERS

The British Electrical Development Association have instituted a series of competitions in public speaking for

men. The originators of the scheme justly observe that speech is the most usual form of communication between individual persons, and that it is usually the least cultivated. They believe that by instituting these competitions, the standard of salesmanship among the younger members of the staffs of the various electrical firms will become much higher than it is at present, to the mutual benefit of the industry and the person. The scheme is interesting, and is worth watching. We should not be surprised to see other industries taking a similar course, if the results from this experiment on the part of the electrical industry are as good as they are expected to be.

MAKES BAD PAYERS PAY UP

Many retailers handle their own hire purchase transactions, but in these cases their chief difficulty, of course, is to get in the instalments promptly, especially the small cash ones.

In the *Marconiphone Mail*, the dealer magazine of the well-known radio concern, the dealer explains how he makes it easy for his customers to pay. His plan is to supply each of his hire purchase customers with a home-safe, in which they put out by their instalments. The dealer alone has the key. We quote from the explanation of the plan:

The idea was first suggested to me by how well the banks were doing with the home safes—how quite considerable amounts could be saved easily and without difficulty by anyone with a handy place to put small coins which could not be got at by the owners. I had a number of customers who were not paying as they should on their deferred payment accounts, and I found this was because they did not like to bring in small amounts, but waited until they could bring in a substantial payment. Naturally, this became increasingly difficult for them as the arrears accumulated, and eventually they did not like to face me at all. I had to pay them a personal

on the piano, gramophone, or radio which was due to us.

"While on this subject, I found that the amount paid away every week by some households in shillings for clubs, insurances, and other weekly payments is really astounding. There are thrift clubs, universal clubs, Nobles clubs, and, I repeat, the business done in this class of trading is really astonishing. There are whole armies of spare-time agents up and down the country collecting moneys in small amounts every week for these concerns, and as the agents are paid wholly on commission, they get there as soon as the wages are paid, and in a good many cases they collect at the factory door, and even in the works where they are employed.

"The above paragraph is a digression from my theme, but it set me thinking. I bought a dozen children's money boxes and placed them in the homes of the worst of the bad payers, stating that they were to pay their half-crowns or so in these boxes every week when they received their

wages; this was an experiment on my part to see if the idea would act. I called after a month to unlock the boxes, and I found that in most cases the moneys were deposited therein. This was very encouraging. Business with such customers was again pleasant, and in nearly all cases the customers asked me why I had not left them a box before, as they found it quite an easy matter to put their weekly payment by.

"Being so encouraged by the success of this plan with the worst of our customers, I thought the scheme could be extended to a number of first-class customers who would, by such assisted payment plan, be able to pay more than the amount agreed to on their agreement, and so complete the purchase in a quicker time than the term allowed. I got in touch with the makers of the safes, and had fifty made with the name of our firm embossed. I offered the safes to really first-class clients who were paying on the deferred payment plan, and most of them were delighted with the scheme."

Do You **BUY** Cars For Your Salesmen?

IT MAY PAY YOU BETTER TO **HIRE** THEM

A major problem for the management of those concerns employing salesmen is to discover the most satisfactory and economical way of dealing with the salesmen's cars.

To buy or not to buy, that is the question.

Many big firms maintain fleets of their own, buying them at reduced rates and renewing them on an exchange basis every year. The salesman uses his car for business during the week and all expenses are paid by his firm, each man finding his own garage, wherever and whenever convenient to him. If he wishes to use the car for pleasure during the week-end, he pays for his own petrol and oil, but garaging, cleaning, wear and tear of tyres and conditioning expenses are not charged to him.

For these firms whose fleets run into several hundreds, the system is no doubt good, because worth-while concessions may be secured, not only in buying the cars, but in running and servicing them.

One thing, however, is certain. More cars must be maintained than are actually needed, since 100 per cent of the cars can seldom or never be on the road at one time. Accidents, mechanical defects and servicing must be taken into consideration, and it is practically guaranteed that a percentage of the fleet will always be out of action. Nevertheless, dealing in large numbers makes this system for big firms worth while.

For the majority of firms, however, the practice of hiring their salesmen's cars instead of owning them outright is proving much more economical. It

has been proved that this practice is cheaper, saves week-end waste, and incurs no responsibility for upkeep, insurance, and servicing. Moreover, they have always a guarantee that the number of cars they require, looking well and in first-rate condition, will always be on wheels.

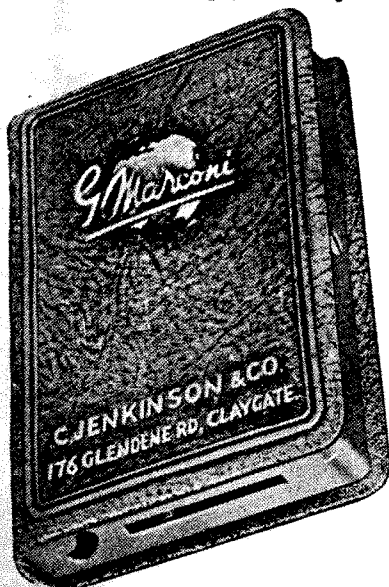
A comparison of figures, hiring versus ownership, under these conditions is interesting. According to one London business house, the annual cost of running a 10 h.p. business car over a distance of twelve thousand miles is, approximately, thus:—

	£	s.	d.
Petrol (say 30 m.p.g.)	26	13	4
Oil	2	0	0
Garaging	26	0	0
Washing	13	0	0
Servicing (including decarbonizing and incidental repairs)	12	12	0
Tax	10	0	0
A.A.	2	2	2
Insurance	2	0	0
Depreciation	58	0	0
Interest on Capital	8	3	0
Total	£170	10	6

A car run on the hire system over the same distance and for five days per week can be had for an all-in cost of £150 per annum.

The saving is, therefore, considerable, and is explained by the community system on which hire firms are run. The same car can be used by the hiring firm for profit on Saturdays and Sundays, and be at the disposal of the business man during the week. The pleasure hiring

(Continued on page 33)



This 'home safe' for hire purchase customers helps them pay more regularly and promptly

visit in a friendly manner, and, getting at the bare truth, I found that in some cases the insurance man, the coal man, and the tally man had called every week and collected their dues, and what was left was not sufficient to send a payment

We Don't Need A WELFARE OFFICER

★ What a staff welfare supervisor had achieved for a large firm in Leeds, in a matter of lowering costs and improving work, was described last month in BUSINESS. Here Mr. Haselden, of Knowles Ltd., views the subject of Welfare from another angle. While appreciating its necessity in business, he has his own method of applying it and he, too, gets profitable results

Although we do not employ a welfare officer, we have certain methods of looking after the welfare of our employees which may be somewhat unusual and therefore of interest to others.

In some trades the workers are apt to be afflicted with various maladies as a result of frequent contact with certain raw materials or manufacturing processes, and when this is so it is uneconomic as well as inhuman to be without a welfare officer in constant attendance. This is not so, however, in the cotton trade, in which we are engaged.

As a matter of fact, it would not be an exaggeration to say that everybody in our organization is a welfare worker. We find that our employees manage their own activities very successfully, and as we are dealing with a people highly individualist in outlook, we think it desirable to give them control over the details of those activities, and prevent the possibility of any friction arising through feelings of resentment due to an atmosphere of restraint or compulsion which sometimes arises, or seems to arise, when a welfare specialist has control.

Every possible mechanical guard against accident is provided in each of our five mills. Scientific lighting is installed everywhere, and there are special strip lights on some parts of the machinery which are great aids to the efficiency of the work done, and preventatives of undue eyestrain in the workers. All the air in the mills is cleansed mechanically, and wherever possible seats are installed for the benefit of the workers. These things are done by the management because we believe that health is a prime necessity for good service.

Medical Aid for a Low Inclusive Fee

The good results are seen in the absence of any serious injury to a worker for many years.

There is, of course, a first-aid room in each mill, at which employees who feel that they are in any way "out-of-sorts" can apply each morning for advice and for remedies. Here we come into contact with one of our substitutes for the usual welfare officer, for each morning three of the local district nurses visit the mill and attend to all minor ailments. Their services have

been secured by an annual payment to the local district nurses' association. For us the sum is smaller than we should pay to a welfare officer, and for the nursing association it represents a valuable and regular addition to the income.

A register of every employee who visits the first-aid room is kept so that we can tell at a glance the number of times an employee has received attention for any particular ailment, the nature of the ailment, and the remedy

FROM AN INTERVIEW WITH

LESTER HASELDEN

Managing Director :
Knowles Ltd., Bolton



*Two important points about
this welfare policy is that it
looks after the juvenile
workers and keeps old
pensioners happy on light
but useful jobs*

which has been applied. This enables us to keep an eye on the general health of the staff and to find out where we can improve it.

This Committee is the Real Welfare Centre

The committees are elected by secret ballot and consist solely of workpeople. Besides attending to the social functions of the welfare work, the members of the committees also sit on a central committee which is composed of members taken from the elected committees, and a minority elected from among foremen, managers and directors. In this committee, which approves of the minutes of the elected committees, anything may be discussed, and the members of it are encouraged to bring forward any point at which they think the organization can be improved either for their own advantage or for the eventual advantage of employer and employees, in the knowledge that the executives who have to deal with the

this policy runs itself

point will work in sympathetic co-operation with them.

One of the major activities of a welfare officer in a textile mill is the supervision of juvenile labour. Many young people are employed who have come direct from school, and their welfare is a matter for very serious consideration. Some of the older employees supervise them in their initial training and work, and in our case, their leisure time is looked after. Some of the older employees, who in rotation the duty of supervising games and sports in the canteen "club nights" which are held on evenings per week in the canteen. There is no alternative for young people than loitering about in the streets unless something of this sort is provided for them. The firm provides coffee and biscuits for the employees who are present.

Special Jobs for Old Age Pensioners

Employees of long service are not forgotten. Some are pensioned off, in accordance with their particular needs, which are investigated carefully before retirement, it being our policy not to fix a pension that cannot in any event be continued for life. But if at all possible, we encourage those who, by reason of age or infirmity, cannot continue the work they have had for so long, to work at a light job in one of our departments (known as the "Hospital"), for which we can pay them enough to enable them to live comfortably and not become a charge upon their relatives. It is our experience that such people, both male and female, are very much happier, and remain active much longer than those who, having spent a lifetime in the mill and leave, feel the loss of associates sorely, and feel discarded and useless, besides dependent. So far we have been able to find enough easy jobs to deal with all who required one.

We believe that all this has established a good feeling between all of us, and a feeling of amity and confidence that we should be very sorry to lose. We have had no labour disputes for years in these mills, except wages adjustments in which the whole trade acts together. On one occasion these committees were the actual negotiators in a wages agreement that, after six months' trial, was found to work well and made a permanent one.

Treat Your Stores As You Would Your Cash

upholstery DEPT. STOCK CARD. No. 52
DESCRIPTION OF STORES
Metal Face Wire Sponging
for 3 piece Sinter
LOCATION *B-7-2*
SUPPLIER *Wm. H. B. Coy. Glasgow*
MAXIMUM STOCK *200* MINIMUM STOCK *50*

IN			BALANCE		OUT		
Invoice or Receipt No.	Date	Quantity			Description	Date	Quantity
<i>UN7</i>	<i>1-3-34</i>	<i>150</i>	<i>150</i>				
			<i>140</i>		<i>R2375 2-3-34</i>	<i>10</i>	
			<i>130</i>		<i>R2402 2-3-34</i>	<i>10</i>	

This is a particularly effective form of bin record card. It shows quantities in, out and balance; also max. and min. stocks

While this article relates to a furniture manufactory the system applies to ANY business. Stocks in store always represent cash. They can soon lose money if not handled properly

By Wm. JOHNSTONE, A.C.W.A.

The purchase of materials naturally entails the provision of adequate accommodation for their storage, so losses due to natural causes (apart from the varying other reasons) are kept to a minimum. Unfortunately, in some cases, the manufacturer does not realize this, and leaves his stores in any place which can more or less conveniently hold them.

Materials in every form represent the investment of so much money, and therefore it is only reasonable to check and account for the expenditure or consumption of the money, just as one would check and verify the entries of a cash-book.

The Right Equipment Helps Accurate Records

The sound manager will provide suitable receptacles for all classes of material. Small items can conveniently be stored in metal shelving, trays or drawers, while more bulky materials will require bins or other suitable accommodation. Despite the ease with which most firms can assemble wooden racks, I think metal shelving has the advantage in its lightness and fire-resisting qualities.

Each separate item of stock carried must have its own distinct place and its own particular reference number or symbol, by which it is always known. A simple system of numbering which gives good results is as follows:

Each passageway or aisle in the stores is lettered by a distinct letter of the alphabet, and each upright division in the aisle is numbered consecutively, with each shelf or rack in the division further numbered, e.g., suppose H be the symbol letter to denote handles of any kind used in production. Then H7D15-7 might be the reference number of a handle on a particular design, and would mean: handle design number 7 stored in aisle D, division 15, and drawer No. 7 of the chair-cabinet store-room.

Such a system of numbering can be used throughout all stores and cost

records, with an undoubted saving of time and trouble for everyone concerned.

If the stores are to be of practical value, it is absolutely necessary that complete records of receipts and issues of all materials are carefully kept.

The method of recording most suitable to the majority of furniture factories is that of attaching bin record cards in a convenient position at the actual place where the material in question is stored.

This bin card shows simply:

- (a) The quantities received and the purchase order number.
- (b) The quantities issued to production and the material requisition number.
- (c) The extended balance, which is, naturally, the quantity left on hand.

I have illustrated one setting of a card which is used in John McGregor & Sons, Ltd., factory at Renfrew. It will be seen from the illustration that the bin card shows at the top the minimum and maximum quantities which can be stocked, serving thus as a constant reminder to the storekeeper when stocks are running low.

Movements Must Be Entered At Once

To ensure that each receipt is properly entered up, the entry on the

bin card should be made there and then by the person responsible for the storage, immediately a new stock has been stowed away.

When materials are needed from the stores the foreman should write out a requisition form, stating simply what is required and the works order number. These requisition slips form the basis for the storekeeper's record of issues each day.

In fact, it is only by means of such records that obsolete and semi-obsolete stock can be brought to light in time to be of practical help in deciding upon the best means of their disposal.

Where there is an upholstery department it is particularly necessary that the movement of materials and upholstery coverings should be kept minute track of.

How many manufacturers accept an urgent order on the assumption that certain materials were in stock, only to find to his dismay and to the customers' annoyance that insufficient records concealed the fact that the stock was exhausted.

To those firms who already have complete stores records, I say carry on and keep them complete, and to those firms who have not yet installed the necessary control, I say do it now, because organized store-rooms can save many pounds per annum in convenience and production efficiency.

(Extracted by courtesy of "The Furniture Manufacturer".—Ed.)

FOR ORDER NO. *54275*
MATERIAL BOARD NO. *2.17*

STORES REQUISITION
Cabinet STORES

No. **R2375**
DATE *5-3-34*

QUANTITY	WEIGHT CWT. QRS. LBS.	SYMBOL No.	DESCRIPTION	FOR STORES USE	
				FROM BIN NO.	BIN CARD
<i>24</i>	<i>—</i>	<i>H7D15-7</i>	<i>Drop Handles</i>	<i>D15-7</i>	<i>No. 426</i>
<i>—</i>	<i>— 2</i>	<i>SIC4-2</i>	<i>1" Brass R.H. Screws</i>	<i>C4-2</i>	<i>No. 42</i>
	<i>etc</i>		<i>etc</i>	<i>etc</i>	

This type of requisition slip forms the basis of the storekeeper's day-to-day records

IT PAYS . . . to 'Paint and Clean-Up'

Annual spring-cleaning in the office, factory and shop affords the opportunity for creating more efficient and comfortable surroundings and laying the foundations for better work.

In a factory there are many things to consider in a clean-up schedule. There is the power transmission system, which should be tested and thoroughly cleaned. Shafting should be aligned at least once a year. There is also the repainting and revarnishing of all doors and partitions, and other portions of rooms which receive the hardest service. It is as well to go over benches and floors with vacuum or electric cleaning appliances. Such surfaces should also be scrubbed thoroughly. There is an electric floor-scrubber which will scrub, dry and polish floors at a speed which will enable one operator, without fatigue, to cover more floor area than can be cleaned in the old-fashioned way in the same time by half a dozen workers. This machine is effective, too, on all surfaces from rough concrete to the fine finish of a dance-floor.

Dust-collecting systems should be overhauled, and mainpipe lines cleaned so that any sediment which may have



Electric scrubbing — polishing machines enormously reduce the time and labour necessary to clean floors, whether of rough or smooth surface

collected during a long period of operation may be removed. It is also a time to overhaul boilers, as all pressure traps and valves, expansion joints, etc., are apt to be wintered and probably require repacking leaks in pipes, broken flanges and joints may be overhauled at the time.

Look To Your Floors

It is found in most factories floors are constantly wearing out machines, especially in truckway in aisles. Not infrequently, operators standing in one position near a machine will wear through a floor in a surprisingly short time. This is the time to repair and smooth floors. The liquids on the market which are spread over the affected area 'harden a floor and prevent its wearing'. For concrete surfaces showing signs of wear there is a liquid as a powder mixture which, mixed with cement, makes a new floor surface of steel-like hardness.

For exterior surfaces of factory there are many waterproof weatherproof paints.

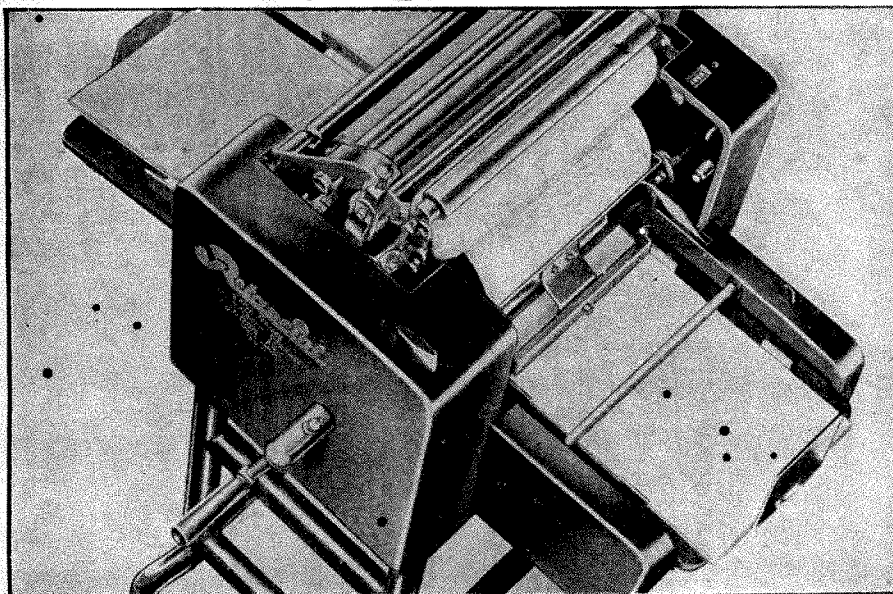
Many of these paints, too, can be used with equal success in places where steam and other factors destroy wall finishes.

Fire-pumps, too, should be tested and all sprinklers and other fire-fighting apparatus examined and checked. Lifts, also, may well be examined

(Continued on page 32)

Rotaprint!

A Simplified Offset Litho
Printing Plant for Letter
Press Printers . . .



**What you
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Establishment
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**ROTAPRINT
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NO BLOCKS
NO MAKE-READY**

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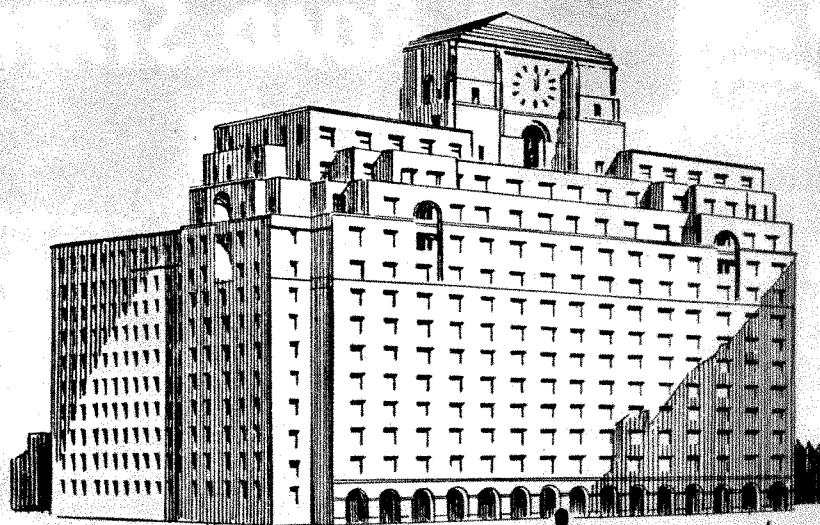
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Write or phone for particulars and
demonstration on your own premises
entirely without obligation



Our London Home is Moved —

Kalamazoo
for pen posting



— to Shell-Mex House

We used removal vans, of course. But what if there had been none? What if there had been no means of transport whatever? How would the many tons of sample Kalamazoo books for Visible Recording and Indexing and for Machine Accounting have been conveyed to Shell-Mex House?

A ready answer is provided by the *easy portability* of all Kalamazoo Equipment.

Those samples would have made the two-mile journey from Grosvenor Place tucked under the arms of Kalamazoo enthusiasts.

What about your accounting and recording equipment? Is it easily portable? If not, think of the inconvenience, the waste of time, the useless miles — yes, miles! — tramped up and down your office floors in a year.

But easy portability is only one of many Kalamazoo advantages. Here are others —

For Pen Posting

Every account current and easily found — book arranged or re-arranged in



Kalamazoo
for visible recording



Kalamazoo
for Machine Accounting

any desired order (alphabetical, geographical, journey, numerical) — buying and opening of new books unnecessary — easier and quicker posting and reference — monthly statements more accurate and rendered more quickly.

For Visible Recording and Indexing

30 accounts, instead of one, seen at a glance on each "page" — absolute control of each account by signal — ability to mix sundry, medium and large accounts — no indexing necessary — monthly statements out in a fifth of the time.

For Machine Accounting

A bound ledger, a card ledger and tray — either, at the turn of a handle. Secure — speedy — accessible — accurate — compact — economical of space and money, and — each and all — *easily portable*.

Kalamazoo Systems Dept.

Whether or not you have a recording problem, write to this Department which has made a habit of solving even the toughest of propositions and of speeding-up and simplifying in a surprising way systems that appeared already satisfactory. There is no charge and no obligation.

(Sales)

Kalamazoo Ltd

(Proprietors: MORLAND & IMPEY, LTD.)

HEAD OFFICE AND FACTORY: NORTHFIELD, BIRMINGHAM.

Branches in all leading Provincial Cities.

GD/BS 31.

The SUPER-SERVICE ROAD STATION . . .



By
E. D. MARTELL

HOW FAR WILL IT GO

"Trade follows the flag" is a good old saying, but "Trade follows the roadmakers" is a "more modern and truer rendering. Until recent years a road invariably led direct from one town to another town, so that the traveller had no problem about where to put up at night or where to buy the necessities of the journey.

To-day all that is changed. New roads are built to *avoid* towns and cities. Modern motor transport is responsible for this change of policy in roadmaking. The private motor-car has made the traveller independent. He is no longer bound by railway time-tables and routes. He can make his own way as and when he likes. His new desire is to avoid towns and cities, for they impede his progress. The "by-pass" is the result.

But the motorist cannot live by speed alone. His independence is not really all-embracing. His needs are just as many, if not more, than they were when he journeyed by train. His car must have fuel during the journey.

At the start and end of a journey the want is generally provided for by a garage. During the journey, by a roadside garage, or service station. The fast-growing needs of motoring have caused the service station to multiply rapidly along every important road. The service station is, in fact, the motorists' greatest necessity. It makes the by-pass possible by allowing him to do without the help of town and city garages on his way.

The necessity and benefits of the service station are acknowledged. They have become a part of the landscape; even the preservers of rural England have come to take them for granted and thus to overlook them.

The modern service station may well be a great portend. In travel all things progress. Speculation is for ever rife as to what a motor-car will look like in

twenty years' time, and we continually hear of huge road developments planned for the future. But no one seems to consider what all this will mean to the service station. It is significant that a service station rarely remains a service station for long. It either closes down or grows into a fully-equipped day and night garage. More significant still, its proprietor gives up motoring out to it from the nearest town every morning; he has his house built adjoining the garage. Soon we find he has thrown his house open to visitors who may stay to tea or supper and thus refresh themselves when they refresh their car.

These are the Growing Needs of Road Travellers

Thus there are four links in the chain. Service station, garage, house, tea-rooms. But already in many cases a fifth link has been successfully added. This fifth link takes many forms. The service station owner's mind follows the same channel up to a certain point. His first idea is to provide petrol and oil for the motorist, then to add full garage facilities, next to increase the value of the garage by being always on the spot

himself, and finally to offer the food and drink for his own tation.

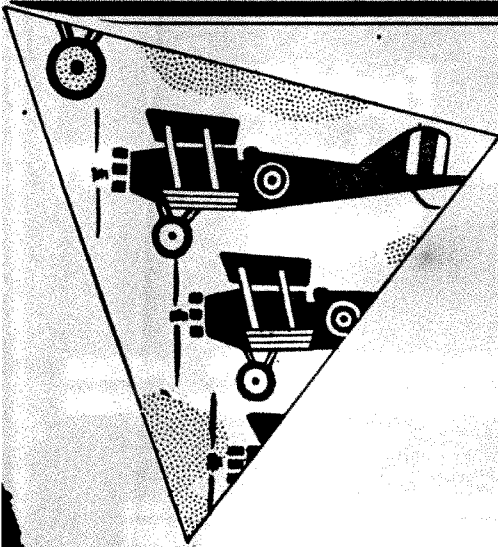
The necessities of travel thus catered for, what is the next development? The most obvious, and probably the most popular, is a complete restaurant providing breakfast, lunch, tea, dinner and supper along the most up-to-date lines. From such a development it is not a long step to an hotel where travellers can not only stay the night but can remain any length of time if they happen to like the district and feel so disposed.

A row of three or four petrol pumps having now grown into a fully-fledged hotel, even the most enterprising proprietor might consider resting on his oars. But an hotel which is well patronized by people who can afford to indulge in at least moderate spending will not long stand lonely. The motorist having refused to come to the shops by avoiding the towns, the shops must come to the motorist at the place where he deigns to stop. And since there would hardly be enough trade to support every kind of shop, it is natural that the type of shop which would grow up beside the service station-hotel

(Continued on page 34)

" . . . THE RACE WILL BE TO THE SWIFT "

This article may project a little into the future—but not very far, probably only five years or so. With possible New Business, New Customer-Needs and entirely New Angles of Marketing so near, have YOU looked ahead to see how YOU can capitalise these potential developments?



THE Shannon
LIMITED

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**ENSURES
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SUCCESS**



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or CUT-OUTS**

Original Suggestion in colour (up to 20" x 15" in size)

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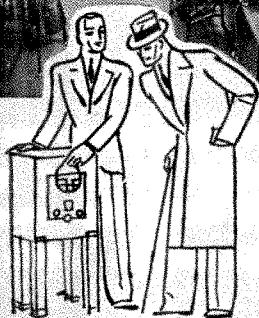
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Multiple forms completed in your
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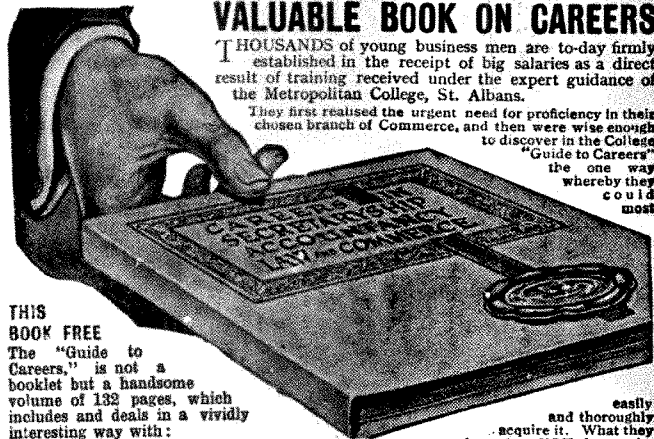
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G9.

NAME.....
(In Capitals)

ADDRESS.....

Business, April 1934

Dent. G9.

Can Machine Accounting Help The Small Business?



Just how well accounting machines can take over the bulk of book-keeping work is demonstrated by the ever increasing number of firms who are replacing old hand methods with day book, journal and ledger by multiple machine processes.

The leading banks are proud of their mechanization; manufacturers rely for their costing systems to increase their profits—directly on mechanized methods; retail and wholesale firms analyse their sales and find economy in doing so; insurance companies handle yet larger volumes of business by more scientific methods; hotels, clubs, railways, steamship lines—in fact all kinds and sizes of businesses find not only that the saving effected by machine book-keeping justifies the cost of installation, but that they have greater accuracy through perfect accounting control and the smooth handling of a greater volume of work by the personnel.

Naturally this mechanization started in the larger firms where the saving was obvious; but now book-keeping machines have proved their time and money saving qualities in small concerns as well.

This is What Mechanical Posting Does

The established principles of book-keeping which are commonplace to you are not altered when the work is mechanized. It is merely that many single operations are telescoped. Procedure is simplified and the handling of details is standardized.

Owing to differences in design among the various types of accounting machine, the operations required to produce a given result are often dissimilar.

The prospective purchaser of book-keeping machines may, for instance, choose from four distinct types: that development of the adding machine, such as the twelve key machine for the rapid posting of customers' statements and ledger accounts where written descriptions are not essential. Secondly we have the combination typewriter, adding and subtracting machine, which enables a full description to be included so. In dealing with the general public; this feature is very desirable as

most customers like a full account, not merely a list of charges which they are unable easily to identify. The machine has single column registers, single column registers and cross casting register, single main totalling register and duplex main totalling registers to enable it to perform adding and subtracting operations.

More elaborate types of the same machine have direct or complementary subtraction and multiplication mechanism for special work such as the computing of interest on deposits. Machines which accumulate or subtract amounts as they are posted to different columns are called cross-computing or cross-footing. Those with registers for vertical computations are known as vertical computing.

Thus cross-casting of from one to four columns can be performed simultaneously with vertical addition. Totals are transferred from one accumulator

to another. Sub-totals and grand totals can also be accumulated. The carriage movement from column to column, the dating and the carriage return are all automatic in operation. In effect, your machine does mechanically exactly what the book-keeper would do in checking his work.

The third type of machine resembles the cash register in appearance and operation. It automatically posts and balances ledger accounts, printing each posting in the proper column. Printing may be done in four, five or six columns. The machine automatically prints and computes the amount of balance outstanding on each account. Debits and credits are classified and the total of each class accumulated. As many as eighteen individual totals and two group totals may be obtained. The machine prints also a complete detailed record of all postings on a strip of paper inside the machine. This serves as the audit or tally sheet and is a permanent record of all postings during the day.

As all records, including the customer's record, the ledger card and the audit sheet, are printed simultaneously they must agree. The accumulated totals prove the correctness of the work.

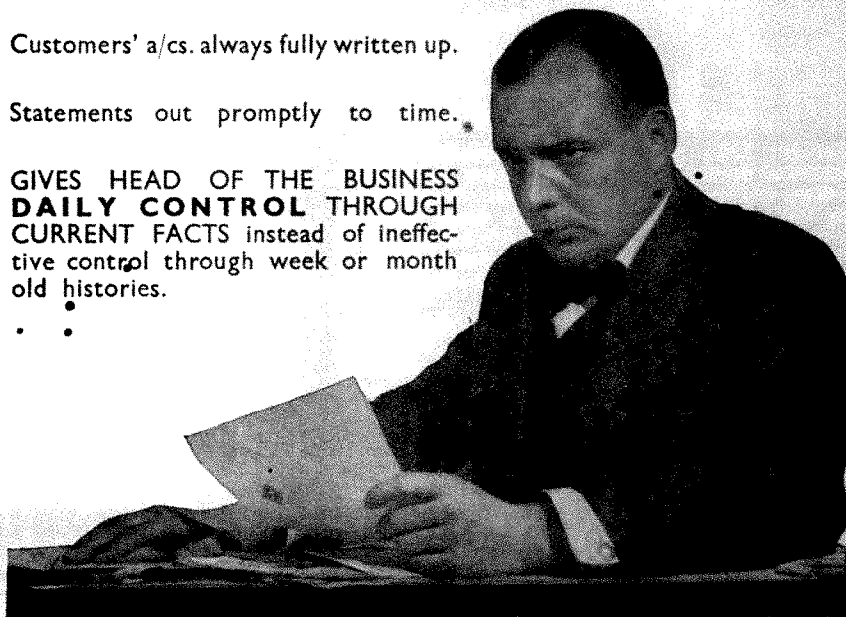
The fourth type is, of course, the punched card system where the detailed record is made by suitably placed holes in a card, thus providing the means for subsequent sorting and tabulating operations.

(Continued on page 30)

“YES”

replies Mr. C. H. Costello, A.C.I.S., A.C.W.A.
in this article, because

- ★ Time and labour involved in the old hand methods reduced by from one-half to two-thirds.
- ★ Reduces to a minimum errors due to the human element. The few which may occur are easy to find.
- ★ Customers' a/cs. always fully written up.
- ★ Statements out promptly to time.
- ★ **GIVES HEAD OF THE BUSINESS DAILY CONTROL THROUGH CURRENT FACTS** instead of ineffective control through week or month old histories.



These Typists SPRING CLEANED their own Office

The early months of the year are usually associated with "spring-cleaning" in the home, yet how many offices ever get a regular "spring-clean"?

The progressive manager of the firm for which I work, realizing that one's surroundings affect one's working capacity, granted his typists, four in number, the sum of £15, to rejuvenate their office. He gave them an absolutely free hand to do what they wished, and rarely in the history of the firm has there been a more successful experiment.

The appearance of the room before the re-decoration was sordid in the extreme. The ceiling, once white, was dirty and stained; the green distempered walls were covered with a thick layer of dust. Uncurtained windows added to the derelict appearance.

The typists formed themselves into a committee, and their first resolution was that, with the exception of the

adjustable chairs, recent acquisitions, all the furniture must be scrapped. The large table, which accommodated three typewriters, rocked badly on a broken

They said, "The home gets a yearly spruce-up. Why not the office?" They wrought a metamorphosis for £15

leg. Anyone who has tried to type at a fairly high speed on a rocking table will realize what this meant.

The senior typist had a desk of her own, with chair to match. They were painted atrocities, examples of the worst type of Victorian office furniture.

Only two of the nine drawers in the desk could be used, and to sit on the chair was agony, because the swivel mechanism had worked through the upholstery of the seat.

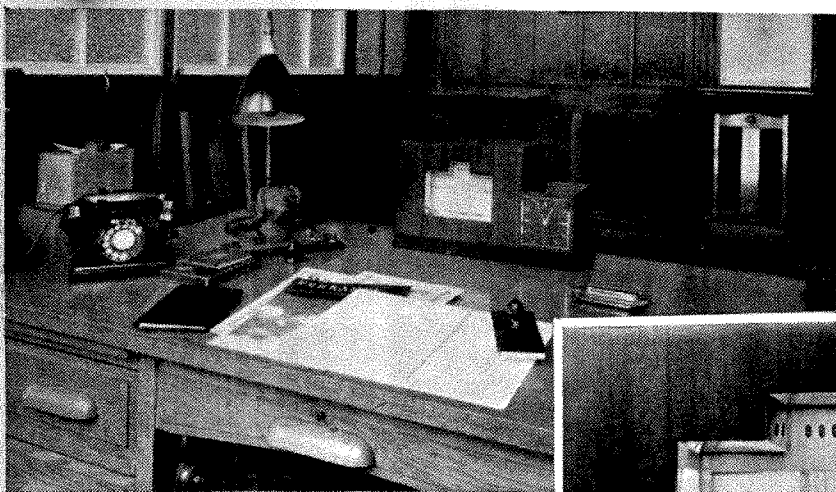
For floor covering there was brown cork carpet, but it had large holes which were both unsightly and exceedingly dangerous.

With only fifteen pounds, to re-decorate and re-furnish, it was first necessary to "budget". The money was apportioned as follows:—

Re-decorating .	£4	10	0
2 Desks .	£3	19	0
1 Table .	£1	10	0
1 Chair .		13	9
Shelving .	£2	0	0
Floor Covering	£1	10	0
Curtains .		7	6
Sundries (blot- ters, ink-pots, etc.).		9	9
	£15	0	0

It seems inconceivable that decoration should be done for a small sum as £4 10s. but the committee employed an out-of-work decorator who seemed to think himself a professional. He was very interested in the job and suggested a colour scheme. The walls were changed from "institution green"

(Continued on page 33)



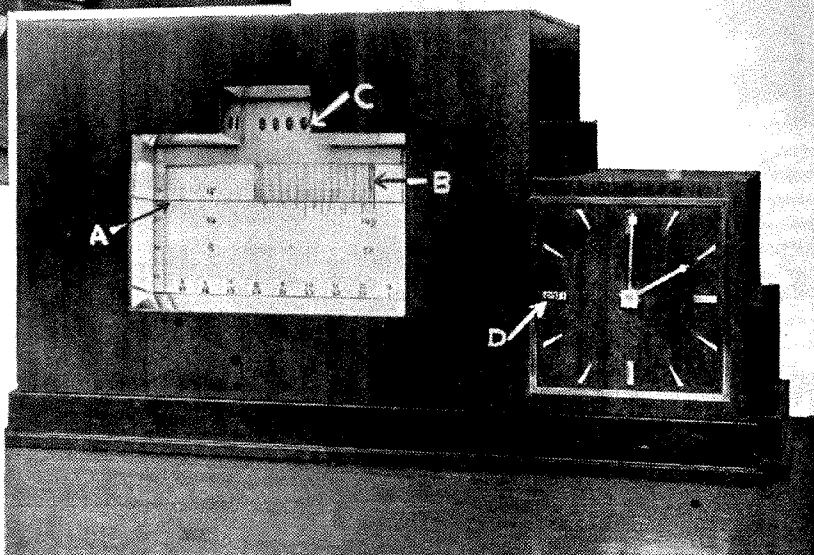
PRODUCTION DATA to the TICK of the CLOCK

Ferranti Ltd., well known as manufacturers of electrical measuring instruments, have developed a unique instrument for their own use. It is a device by which photo-electric cells are made to count every unit of production in the works, and to record the results on a chart in the office, thus enabling an executive to have a continuous visible check on the factory output.

In the chart the vertical lines B are produced by photo-electric recording mechanism. They are drawn at intervals of 5 minutes and, in reference to the scale on the left, show the number of units output in each 5 minutes. The bar A is adjustable by hand and connects the record with the base scale on the left. It also shows at a glance by what margin output in any 5 minutes differs from the pre-established datum. The figures C give the integrated record of the output to date.

The figures D are given by the clock at a rate established for the datum setting for the day. When the output is exactly normal these figures in the clock dial and the integrated record of output at C read the same. At other times the difference between the two sets of readings at any time in the day show to what extent the actual output is above or below the pre-determined level.

The clock itself is one of a series of the firm's own synchronous units fitted throughout the organisation and this unique combined instrument stands on the desk of Mr. D. Z. de Ferranti, a Director of the Company.



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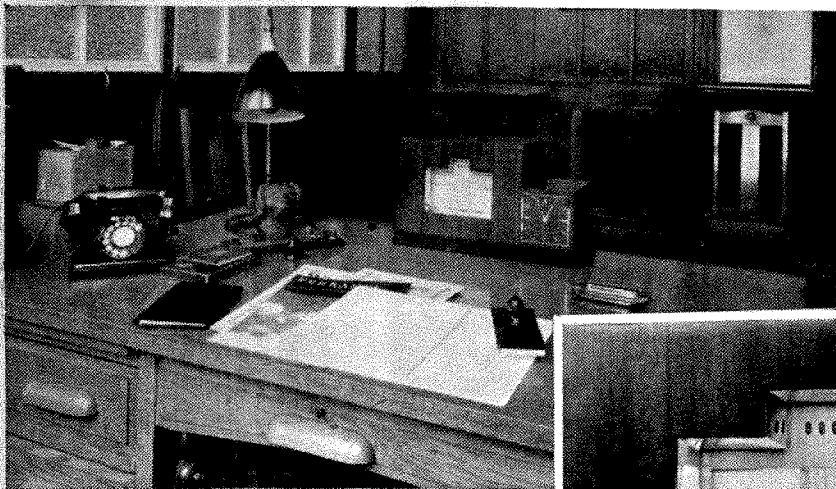
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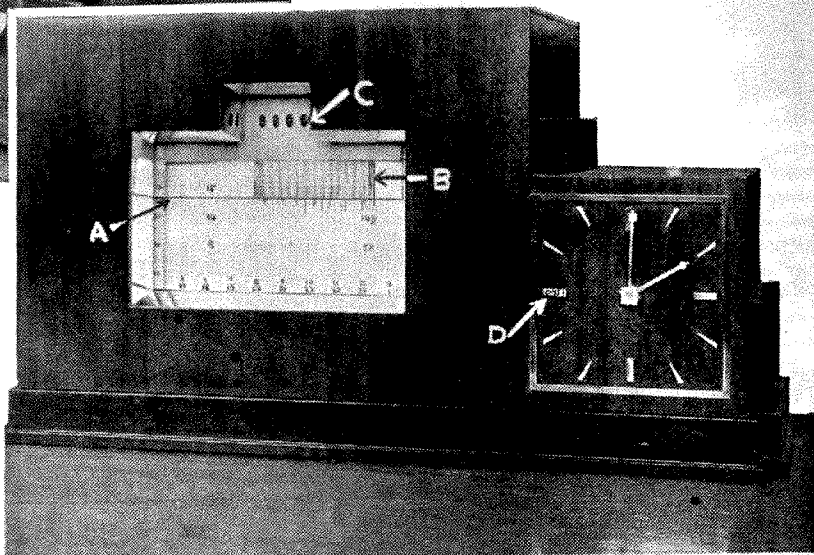
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The figures D are given by the clock at a rate established for the datum setting for the day. When the output is exactly normal these figures in the clock dial and the integrated record of output at C read the same. At other times the difference between the two sets of readings at any time in the day show to what extent the actual output is above or below the pre-determined level.

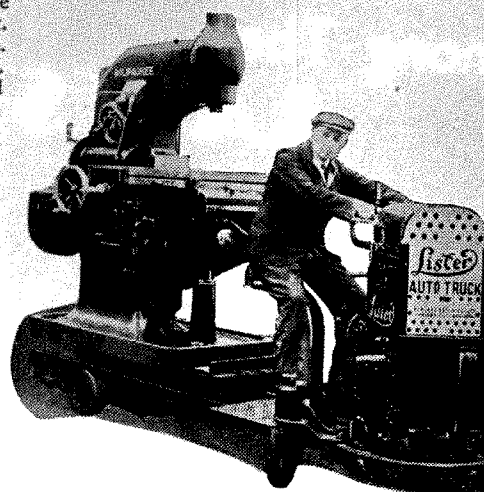
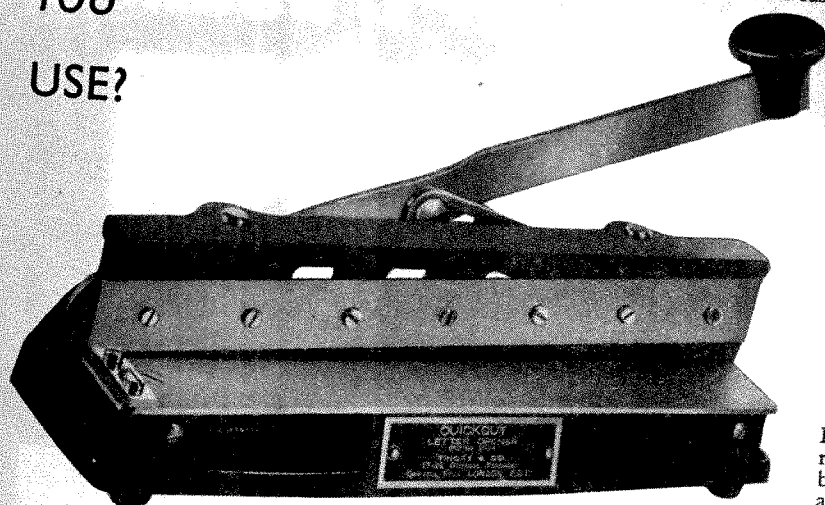
The clock itself is one of a series of the firm's own synchronous units fitted throughout the organisation and this unique combined instrument stands on the desk of Mr. D. Z. de Ferranti, a Director of the Company.



WHICH CAN YOU USE?

Right: Manoeuvrability is one of the main features of this power truck. While its overall length is 9 ft. 11 ins. its turning radius is only 5 ft. 8 ins. The power unit has two speeds forward and reverse. Loads up to 4 tons can be carried and manipulated with ease.

BUSINESS for APRIL,

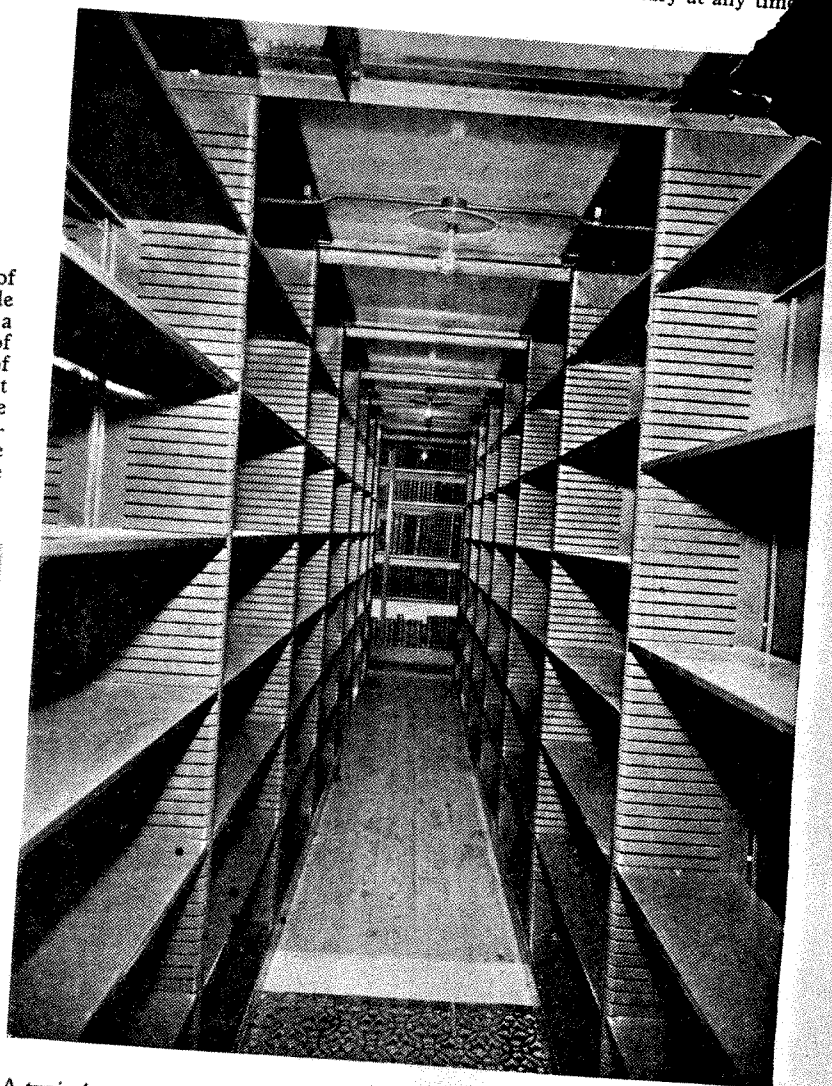
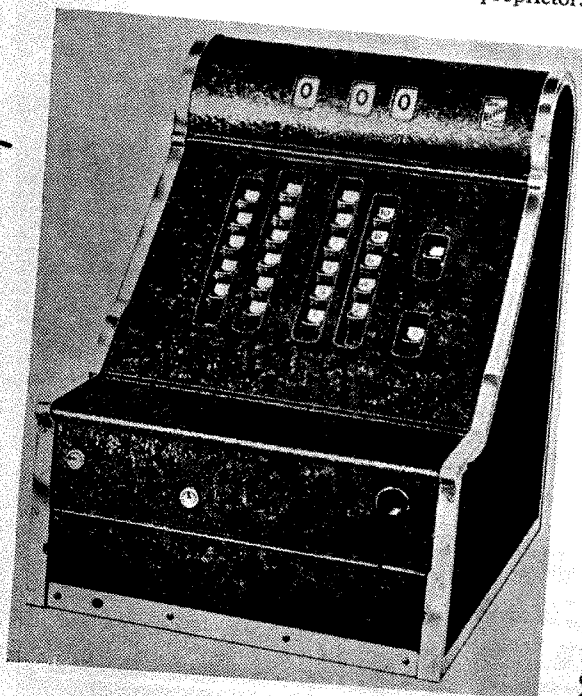


FOR QUICKER MAIL-OPENING

Left: For businesses with mailings up to medium size this hand-operated letter opener will be found very efficient. It is adjusted so that only a minute shred is cut from the envelopes; thus it is impossible for the contents to be cut. In use no oiling or adjustment is necessary at any time.

AN ALL-BRITISH CASH REGISTER

A new design which makes possible the exclusion of complicated mechanism is why the makers are able to offer this cash register at what they claim to be a lower price than that at which any other register of such performance is marketed. Another feature of this machine is that the numbers on the keys are not obscured by the operator's hands while the keys are being depressed. An exclusive point about the "set-back-to-zero" counter, too, is that once this is used the cover will not lock until the recorder is locked by the master key in the possession of the owner or proprietor.



A typical example of how modern steel shelving can be built up, unit by unit, to suit any specific business purpose. This particular type is identical with that supplied to many famous libraries, where not only accuracy and accessibility are required in the racks, but security against fire is also an important consideration. Steel shelving to suit everything from the small to the heavy duty units for...

THROUGH THIS 5-YEAR PLAN

(Continued from page 8)

which they were selling, and would therefore tackle their prospects with greater confidence. In this we were successful, and in the near future, when still more new products are put on the market, the salesmen will have confidence in them because they have grown to have absolute faith in the firm.

How We Created Markets Overseas

The third year was spent in making plans for the nation-wide increase in distribution which we hoped for. We decided as far as possible to supply one firm in each centre of trade and to make that firm our agent for the neighbourhood. In this year, also, we had another unexpected result from our attempts to do this. In order to make the same known to retailers, we had advertised fairly extensively in trade journals. This, as a backing for our plans, was successful, but in addition brought in numerous inquiries from foreign countries. Accordingly, a market being opened to us, we appointed agents for various countries overseas, and gave a good deal of time to the development of that side of the business also.

Our plans for the nation-wide distribution of our new products were not suddenly put into operation with a great show, but the actual ground work was done by salesmen and commission agents, who gradually extended their fields of activity, persuading retailers who had then never heard of us to sell our products, with the promise of wide advertisement in the near future for our leading lines.

By this time other new products besides liver salt were ready, but we did not hurry to put them on the market.

The success of the "try-out" of our new line in the North during year No. 2 was vouched for by the fact that in 1933 a well-known firm of merchant distributors with an enormous connection throughout the United Kingdom and abroad, approached us with the object of acquiring the sole agency for the country for the chemist trade. An arrangement was made with them, and consequently we were able to enter on the fourth year of our plan without the least fear as to the results.

Plans for this Year Include Advertising

So we come to this present year, 1934. It has proved up to date to be most propitious for the advance which we intend to make. Firstly, there is the general upturn in trade, which means that the public is more ready to try something new. Secondly, our factory is now able to cope with practically any demands which might reasonably be expected to be made on

it. Further, we have just bought a piece of ground near for still further expansion. Accordingly, we arranged for the national advertising which we had promised to our salesmen and to the retailers.

We did not make a huge appropriation for advertising purposes; the money spent on it was kept strictly within the amount budgeted as reasonable in view of the anticipated sales. We were more interested in "putting across" thoroughly one particular line than in casually mentioning every line. So the national advertising was confined solely to liver salt, and we were thus able to advertise this product thoroughly, making every possible talking-point. A good many selling points were based on the container. This was not in mind when the container was designed.

The container was made purely with the idea of utility. Unconsciously we had provided ourselves with several first-class talking points. For instance, we were able to use in connection with the large bottles of liver salt, the phrase: "You can get a spoon in it," a convenience which is lacking in most bottles, and in the case of the tins: "The powder keeps dry because of the rubber-lined lid." The other new lines may be subject to the same try-out later as that which the liver salt had last year. We anticipate an equal success with them, for the name of the firm has now been nationally advertised, and in itself will act as a recommendation for the lines which have not in 1933 yet received that distinction. Their turn will come later.

We Shall Now End One-Man Control

By the end of this year we hope and expect that the firm will be completely on its new working basis, as an independent producer and distributor of goods for national and overseas consumption. Then, when this state of affairs has been reached, will come the time for the final delegation of authority. While we have been in the process of reorganization, it has been essential for one man to have complete control.

Now there will be time to train younger men for future control by giving them a measure of authority over the organization which is already working smoothly. They will get a general knowledge of the working of the organization, and they will each have a department to manage, with the general manager keeping a weather eye on all their activities.

Finally, I would point out that in our activities we have been singularly well-placed for reorganization, because we had an assured market for our old-established product which would, all things being equal, continue to make a certain demand on us whatever happened. We were not faced with the possibility of a large expenditure with little or no final profit from it. Our chief virtue, if virtue it is, has been cautious, carefully-planned expansion.

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"MASTER OF MATHEMATICS"

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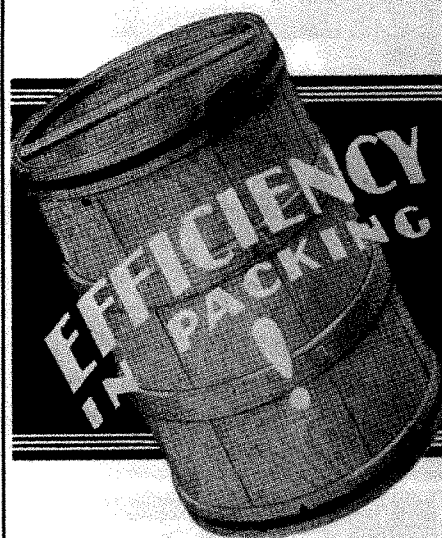
The 100% electric calculator that is indispensable to every business office. Every operation is performed electrically and automatically, obviating the need for trained operators.

The Marchant will speed up your clerical work, reduce your costs and eliminate expensive mistakes. Guaranteed in every respect for one year. A demonstration and trial will cost you nothing.

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MARCHANT DIVISION

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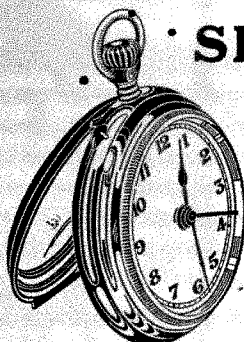
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We offer our experience in this field for what it is worth to anyone who cares to use it. Moreover, anyone, even a contemporary (we have no competitors!), is at liberty to make a tour of our factory if he cares to do so at any time—in fact, on the name-plate outside our factory is engraved an invitation to all and sundry to call and see us.

All this may sound a trifle egotistical, but it certainly is not written in that spirit. We pass on our experiences, such as they may be, to readers of BUSINESS at the special invitation of the Editor, merely adding that any little success which we may have achieved has been due to a good product, careful and efficient planning and full use of the personal and human element in all our business contacts.

MACHINE ACCOUNTING

(Continued from page 25)

tions with vertical computing and footing as required. The punched card takes the place of the sales slip, voucher or other original record used as the posting medium with the other types of machine.

Here are Methods of Posting and Proof

Two methods of machine posting are usual, the dual plan and the combined plan. With the former the ledger and statement are posted at separate runs. Then by comparing the balances of both ledger and statement, the items are proved as posted to the correct account, and the balances correctly extended if, at the conclusion of operations, the two amounts agree. In practice, however, this procedure is almost superfluous, for with a competent operator, errors seldom occur.

With the combined plan, both ledger and statement are posted and proof of both taken at the same time by totalling. On some machines the statement is a carbon copy of the ledger, or vice versa; on others, by means of a divided platen, the ledger sheet and statement are provided for at the same time. Items posted to the ledger and balanced are automatically repeated on the statement.

The first step in posting will be to pick up the "old balance", i.e., the amount due to, or owing by, the firm. Next, the posting of debit or credit is performed, the "new balance" thus arrived at being then printed on the card or ledger sheet by taking a sub-total.

The proving of postings can be done in several ways. A carbon record can be made of the postings for comparison as to total with a predetermined total arrived at by listing independently the original posting mediums, such as sales slips and invoices. An alternative is to run through, listing the old and new balances. The difference between the totals will equal, all being well, the net total of all items posted.

The combined plan of preparing statements and posting to ledger cards in one operation is, generally speaking, the most

effective, and as a daily proof of postings can be taken and the books kept in constant balance, the possibility of posting to the wrong account may be safely ignored.

In operating book-keeping machines it is usual, except in bank accounting, to handle debits and credits separately, i.e., all debits are posted at one time and all credits at another. It should perhaps be made clear how the double entry is achieved. As the entries are made they are accumulated and the final total constitutes the contra entry. Thus, in a department store, the total of all sales slips gives the "Sales" entry for the day; whilst the individual ledger sheet postings to personal accounts provide the contra.

Apart from the description of the entry the work of the machine on a debit item is simply to add together the outstanding balance and new charge, to give a new balance to be carried forward. In similar fashion, the work on the credit item is to subtract the new payment from the old balance when the new amount produced constitutes the reduced new balance. Whilst all this is being done, the machine is accumulating a total of all the items so as to provide the total for checking purposes. By hand, the book-keeper would enter the various entries in appropriate ledgers, leaving it until the end of the month to take a trial balance. In the case of error a time-wasting search is necessary to find it, whereas by the machine each day's postings are verified, since all computations are mechanically made, the possibility of arithmetical error is eliminated.

Weigh Up These Advantages and Savings

What now can the average firm expect as the result of installing accounting machinery?

The capital expenditure may run away with the equivalent of the salary of a competent book-keeper for, say, a year, but in each of the following years something like two-thirds of that salary will be saved, because a girl can do the work. Moreover, a greater volume of work can be handled without further expansion. By having daily proof of the correctness of book-keeping records which the machine makes possible, time and labour are saved and trial balance trouble and delay avoided. The profit that comes from the elimination of the human element is no small one, as the foregoing outline of operating methods makes clear. In concerns where book-keeping services are used there is no feverish pursuit of elusive figures and totals such as pen methods produce. Customers' accounts are always written up. Monthly statements are got out punctually to the day, and collections respond accordingly. Accuracy cuts out disputes and prestige is advanced. But the most important, the very keynote to successful business in these days, is control, undoubtedly—by which we mean not the results as reflected by figures at the end of the year or the month, but *daily* results.

Mr. Gordon Selfridge controls his vast business by carefully selected analysis figures presented *daily*. He knows how business is going *while* it is going. That is where the accounting machine is so valuable. It enables the principal of the small firm to *afford* the statistical control that is so large a factor in success; to have each morning on a single sheet of paper yesterday's purchases, sales, overheads and profits. In short, to see the required measure of profit *in the making*.

RELIABLE HOUSE TELEPHONES

INTERCOMMUNICATING—AUTOMATIC—LOUD-SPEAKING—The Dictograph Telephone System enables you—as Principal—by the merest flick of a key—to



SUB-STATION

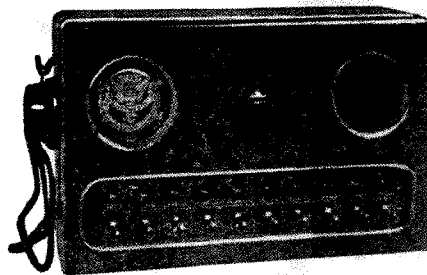
- 1** Get through instantly to any departmental member of your organization, without turning a dial, calling Exchange, holding an earpiece, or speaking into an unsanitary mouthpiece.
- 2** Talk naturally to him, without raising your voice and without moving from your seat or even from your usual attitude.
- 3** Hold a conference between several of your departmental "heads" without anyone leaving his department "leaderless".

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6 Secure right of way in a polite manner over other conversations between your departments.

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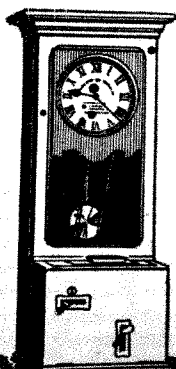
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What I Would Do—

If I were

A SALES MANAGER

I would ask the members of that force to write any complaints which they may wish to make in duplicating ink. I could then send duplicates of the complaints to the persons responsible for their correction. Coming in the salesman's own handwriting, these would have the force of personal complaints, while on the other hand the salesman would realize that the request to write in duplicating ink meant that the complaint must be a real one, and it would act on him with the same restraining effect which most people experience in writing for publication.

If I were

A TAILOR

I would put a packet of book-matches in the match pocket of every suit I sold. Nine times out of ten a man forgets to put matches in his pocket when he wears a suit for the first time, and he would be pleased to find that I had foreseen this. It is quite probable that he would be with one or

more of his friends when he used the matches, in which case I should secure valuable publicity. In any case, I should ensure that the owner of the suit would remember me kindly for a long time, and visit my shop again.

If I owned a

'FACTORY-IN-THE-FIELDS'

I would take steps to have its whereabouts clearly shown by a small map on the flaps of the envelopes and on the letter-paper that I used. Most factories of this sort are in the heart of freshly developing country or in the outer suburbs of towns where roads are often still under construction and buildings difficult to locate. Visitors to such factories often spend much valuable time in finding the place, and although the factory may be a model of what a factory should be, time waste causes tempers to fray. Another aid to the "explorer" would be a series of signposts on roads in the neighbourhood of the factory. They need not be unsightly; they would show visitors that the factory was anxious for their convenience besides being as advertisements to be seen by every passer-by.

PAINT and CLEAN-UP

(Continued from page 20)

this time, while all other mechanical contrivances should have a similar inspection. Electric lighting and power equipment is an important thing to consider, and should receive a careful survey and check-up in the general spring-cleaning of a factory.

Factory workers' output responds in quantity and quality to better lighting—and walls and ceilings play an important part in any lighting scheme.

Where the question is one of getting the utmost out of the available lighting, and mental stimulus by colour environment is not so important, white has been found the ideal wall colour—as one would expect. White has the highest power of light reflection, but mere reflection is not everything. Lighting engineers seek diffusion so as to avoid glare and consequent eye-strain. Hence the perfect white wall surface has an eggshell sheen which gives utmost reflection plus diffusion, and eliminates glare.

Reducing The Painting Bill

It may not be known generally that Home Office regulations, which impose on the factory owner the expense of lime-washing every fourteen months, permit him seven years' rest if he paints his walls with certain materials.

If he elects to use a washing distemper he need not repaint for three years. In either case the saving effected in labour—which accounts for at least 80 per cent of the cost of any painting job—is considerable and greatly outweighs the extra initial cost in material.

One paint, although it contains oil, is what is known as a water paint, i.e., is mixed for use with water—and consequently produces a dead flat surface which is extremely restful to the eye. On office, warehouse and factory partitions of wallboard it is as effective as it is on plaster walls.

In an office it is the season for installing new equipment, or overhauling old office appliances. Look to your typewriters, your adding machines and other labour-saving devices. Are they giving you the maximum of service? Perhaps an overhauling may speed up their work.

Office desks can be made new again with a thorough cleaning and rubbing down to remove the gloss, then varnishing with the right kind of varnish. The same varnish will give a new lease of life to office cabinets and cupboards.

The office floors—where they are uncovered—or the floor surrounds, stair treads, etc., can be treated with a tough, hard-wearing material. It is in effect a liquid linoleum, and is brushed on like paint.

Spring is a good time not only to examine the fire-fighting apparatus of an office or a group of offices, but to look into one's insurance policies. Is your office fully covered? Many firms add new equipment during the year which is not covered in an old policy, and might be a total loss should fire occur. Not only should fire policies be checked up, but the opportunity should be taken to go over all policies affecting your business.

Spray Painting Saves Time And Money

Probably the spray-painting system

of repainting which enables all classes of paints and liquid coatings to be applied to all kinds of surfaces, in the fraction of the time taken by a brush, is the quickest method for repainting factory, office or shop. One man can do five times as much work as he could formerly do with a brush. The paint is spray-coated smoothly and uniformly, resulting in a superfine finish entirely free from unsightly "brush marks", runs, sags, waves, uneven edges, or other disagreeable features that seem to go with the older brush method. An additional precautionary measure is to stop all weak places on roofs with a plastic compound that sticks to any surface, and makes a roof watertight at nominal cost.

DO YOU BUY CARS—

(Continued from page 17)

and during week-ends is so heavy that proportionately higher charges can be thereby making it doubly possible the business man off lightly. The all-in price includes a valeting which every car is overhauled once in three weeks, or more if necessary. Each car is taken to the workshops, where a large staff of experts is employed in ever-working shifts.

The oil is changed, the brakes examined and adjusted and power and petrol consumption checked by scientific machinery. The cause of the weakness or trouble can, therefore, be identified and remedied. From here the car is placed on a vibrating machine which shakes and tosses it about as if it were passing over the worst imaginable pot-holes and bumps. Every squeak is in this way able to be traced and cured. Finally, any dents or scratches are removed from the body and the upholstery is cleaned and repaired. This is important, for a smart-looking car is good salesmanship.

The hiring system, looked at from the expense and servicing angle, would therefore seem to suit the smaller business houses better than owning their cars. Moreover, the guarantee that they will have the required number of cars on the road, always in good condition, is an important advantage. Another consideration is that the all-in cost is definitely known, and no extra charges can be sprung upon them. The hired car is also the answer to that frequently embarrassing request made to the employer for the privileged use of the firm's car in which to joy-ride. For the large business houses its use would seem mainly to consist in special drives, work in excess of ordinary and seasonal affairs.

THESE TYPISTS SPRING-CLEANED THEIR OFFICE

(Continued from page 26)

to an attractive dull orange colour, and the ceiling and paint-work were done in buff. The decorator pointed out that a cream ceiling does not show the dirt as quickly as a dead white one.

Finances would not permit of their replacing the old cork carpet with a floor covering of equally good quality,

Light from the Stars

Light travels at the stupendous speed of 186,772 miles per second. Yet space is so immense that countless years elapse before the blaze of light which heralded the birth of distant stars is seen on earth. Speed is only a matter of comparison. Some people still believe ten miles an hour to be fast. So it is—in a wheelbarrow.

The essence of modern business is speed—of manufacture, distribution and marketing. Without speed, costs mount to a point where buying is discouraged.

Nearly twenty years ago a man created Kardex, a new principle in record keeping. Kardex Visible Records are based on the simple fact that sight is the fastest medium we know.

To-day it would be difficult to name a firm of national or international repute that does not use Kardex. Kardex Visible Records simplify the five main phases of business administration and control—Purchasing, Production, Stock Selling and Accountancy.



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Executive

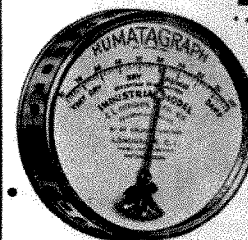
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Write, mentioning BUSINESS, for fully descriptive leaflet
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"Is the Managing Director in?"

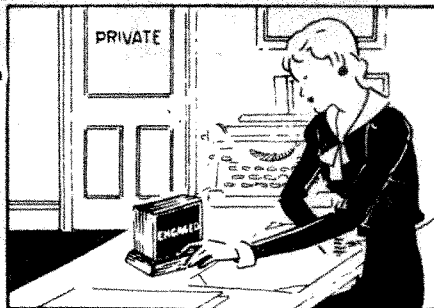
?

The receptionist touches a button, and a message appears on the indicator before her.

Yes, sir—but he's engaged; will you take a seat, please?

That's how quickly the Cartonia Indicator works. No wasted time; no interruptions; no committal. And had the managing director been out—or available—the reply would have been just as prompt.

By operating a switch at his desk the managing director sets the indicator. And by the touch of a button at her desk his



receptionist learns whether he is engaged, out, or whether she may enter his room.

In this way the Cartonia Indicator is saving as much as a month a year for many busy firms. It costs surprisingly little to install, and maintenance charges are nil.

Without obligation on your part we should be glad to demonstrate a Cartonia Indicator in your office. Alternatively, may we send you full details?



CARTONIA INDICATOR SYSTEMS

L C SMITH & CORONA TYPEWRITERS LTD.
MELBOURNE HOUSE, ALDWYCH, W.C.2

Telephone No. Temple Bar 2531

but a substantial linoleum was purchased for £1 10s. The curtain material, a gay cretonne of browns and orange, was bought and made by one of the typists at a cost of 7s. 6d.

The desks and table were purchased at an office furnishers. By studying catalogues the committee found a firm which was able to supply full-size solid oak desks at the low price of 39s. 6d. each. They bought two of these. The same firm supplied a heavy oak table to accommodate the other two typewriters at a cost of 30s.

The new chair was not a luxurious one, for it cost only 13s. 9d., but it was at least comfortable.

Previously, box-files containing letters and papers were stacked in one corner of the office and if, by an unlucky chance, something was wanted from an out-of-date file, the whole pile had to be moved. So two of the precious fifteen pounds were sacrificed in the cause of having shelving erected along one wall of the room, to take these.

When all this was done, there was a small balance of nine shillings and ninepence, which was used for the purchase of blotters and bright ink-pots.

The enthusiasm which these girls brought to their job made the scheme a thoroughly enjoyable one. This scheme might appeal to a firm which has occasional "slack periods" as a means of interesting their staff, and, incidentally, of having their premises re-decorated economically.

HOW FAR WILL THE SUPER-SERVICE STATION GO?

(Continued from page 22)

would be of the departmental variety where the motorist-customer could satisfy every want.

The departmental store having proved itself and shown signs of growing, the natural step is for the proprietor and his assistants to leave the town from which they come and make their homes near their work.

Thus, by a perfectly natural sequence, the service station begins to develop into a village, and it is only a matter of time before the village may well develop into a town.

Of course, such a process is not quite so simple as the following out of the logical chain of events on paper. There is no proof that a successful service station or garage could always be developed into a successful hotel, or, even allowing that step, that a successful hotel could provide a departmental store with enough customers to make it pay. But the tendency is certainly there, and the next few years will prove if the tendency is strong enough to develop into reality.

(Continued on page 36)

Nature's Law of Cause and Effect which all perforce obey.

ATTRACTION!

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BUSINESS BOOKS

How to Collect Accounts Quickly, and Without Cost, by W. T. Norman (W. T. Norman, 29, New Bridge Street, E.C.4, 2s.).

The collection of accounts is one of today's biggest problems for the trader or business man. The decline of many a business has been brought about not by bad trade but by the fact that the proprietor has been unable to get in money that is due to him.

To help the small trader, therefore, the author has set down, in as concise form as possible, the method of collecting accounts through the medium of the County Court. If the procedure is carried out as he has described it will not only prove effective but will also actually save any cost which the trader might incur in his actions.

Uncertainty as to formalities of County Court procedure has deterred many small traders from taking action to recover their money, yet this procedure is no more difficult than the usual type of official routine which meets with in the course of business.

All the details and explanations given in the booklet are based upon practical experience, and if followed carefully can be carried through by any business man for himself.

The author makes the further offer that, if any reader of his book is confronted by some particularly difficult problem of debt collection, or would like advice or help beyond that which the book offers, he is prepared personally to give such assistance to applicants by letter.

Guide to Income Tax Practice, by Roger N. Carter and Herbert Edwards (Gee & Co., 30s. 9d., post free U.K.).

Containing a summary of the various enactments relating to Income Tax, instructions as to the returns for assessment and accounts in support of appeals on the ground of over-assessment; also for claiming allowances, relief, etc., and a concise popular digest of the principal legal decisions on the constructions of the Acts.

Distribution To-day, by O. F. Rost (McGraw Hill, 15s.).

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PRODUCTS You Should Know About

Though the British Industries Fair closed last month, thousands of business men are still interested in the wide and varied ranges of exhibits displayed there.

In last month's issue of *BUSINESS* we described briefly a great many of the appliances and services which were of direct value to business men in the better running and equipment of their organizations.

There were, however, several important items which, owing to limitation of space, we had to omit. Among them were:—

The new Leverless Swan fountain-pen, a remarkable development of this product of **Mabie, Todd & Co., Ltd.**, of Swan House, Oxford St., London, W.1. There were, also, fine ranges of the famous Blackbird pens, the Fyne-Point propelling pencils, and, of course, the famous Swan Inks.

The house of Mabie, Todd & Co., Ltd., last month reached the age of 50 years. Half a century ago the name "Swan" was launched from a small office in Bow Lane, Cheapside. To-day the name and the products are familiar in all places of the world where writing has progressed beyond the stage of scratching on lumps of stone or wood.

★

Bakelite, one of the world's new products, was shown in its immense diversity by **Bakelite Limited**, 68, Victoria St., London, S.W.1. There are few businesses in which this remarkable product cannot be used. From the desk-tops of the chairman and his executives to silent gear trains for machinery, door-knobs, wall panels and other fittings for the most modern dwellings, acid-proof vats for dyes, etc. The range of its possible uses is enormous. Even the stand itself at the B.I.F. was of Bakelite.

Another very important application of this "plastic" is in the making of advertising gifts and novelties. Every business man who employs this form of publicity should look at the Bakelite ranges.

Something quite out of the ordinary was staged by **Robert Craig & Sons, Ltd.**, of Caldercruix, Scotland. Their stand was described as "A Study in Blotting" and comprised an ultra-modern room where the whole of the decorative colour scheme, from floor to ceiling, was carried out in their coloured blottings.

In addition to their regular qualities for office, home, and school use, this firm make blottings with special finishes for printers, their "Janus" range, with one side sized for writing or printing, is much used by advertisers who circularize blotters.

Craigs are also specialists in all kinds of absorbent, filter, and cover papers.

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Electrically operated clocks, with, in the case of large organizations, a master clock controlling several "slave" dials, is one of the latest items of modern equipment to be used by progressive firms.

Smith's English Clocks Ltd., of Cricklewood, N.W.2, are one of the most advanced specialists in the production of these units, and their latest development is one which makes a particularly strong appeal to the modern business, as it is proof against any possible failure of current from the electric mains.

This new development is a master synchronous clock controlling any number of subsidiary dials and is, of course, "all-mains" driven. Should the current fail, however, the master clock automatically carries on, keeping dead accurate time.

Individual electric clocks for every kind of business, as well as for the home, are also made by Smith's.

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M. IR CHAIN LINK . NC

(Continued from page 34)

In America, according to a survey recently issued, the construction of arterial roads avoiding the big cities has brought about many changes in the buying habits of travellers. Some years ago the Standard Oil Company of Indiana tried the experiment of establishing at Chicago, in conjunction with the B/G Food Shops, Inc., a super-service station with a restaurant car adjoining. The experiment was a complete success, and led to the attaching of restaurants to many other service stations.

The report goes on to say that service stations are proving a ready outlet for nationally advertised brands of goods of all types, and that they do an annual business of over £300,000,000!

In America there are undoubtedly greater chances for the service station than in this country, for much longer distances have to be covered by motorists.

Taking to-day's situation in this country, progress may be said to be just entering the restaurant stage of its growth. The service station restaurant is not new, but it is only during the last two or three years that it has been really developed, providing not only the complete round of daily meals, but music, and even dancing. The hotel which follows has already made its appearance in one or two places, but that stage will probably not be fully reached until a definite trade revival comes about.

In the meantime the service station is developing along other lines. Some of them show the same tendency of development as that already outlined. Any of the tiny sweet-shops, fruit-shops, and newsagents sometimes seen attached to garages may well be the beginnings of the departmental store. Other garages have added side lines which appear to offer little further scope for development. One garage on the Great North Road, for instance, has collected a number of animals and made up a small zoo which is the delight of youngsters travelling that way and causes many a motorist father to fill-up at this garage when he probably would not do so but for the special attraction.

A garage on the south coast has added a small cinema to its restaurant where news reels and short comedies are shown. It is easy to imagine such a cinema growing until it shows a regular full-length programme.

Another garage has a hairdressing saloon beside it, working, no doubt, on the theory that a motorist, a man, at any rate, will fill in the time by having his hair done, instead of breaking into more valuable business time for this duty.

One other development, a more usual one, is for automatic machines to be installed around a service station. These can provide the motorist not only with many kinds of food, but also with cigarettes, matches, handkerchiefs, shoe-shines and any number of amusements. From this idea one can visualize

the coming of the all-automatic service station, with not only general products from slot machines, but petrol and oil as well.

The rapid development of express bus services all over the country is also assisting in the development of the service station. It is now possible to travel anywhere by bus. These buses do not, of course, avoid the towns like the ordinary motorist does, for they must pick up passengers as they go. Nevertheless, they take thousands of people on to the roads every day who have many chances of coming into contact with the new and growing road-side facilities outside the towns. Many buses make official stopping-places at road-side service stations. This brings new customers, in addition to the ordinary motoring public, to use and enjoy the new facilities.

There Are Big Changes in the Years Ahead

The development of these bus services and motoring service stations is giving the railways great fears for the future. Not only do the railways see their old passengers being converted from town to town by other means, but they see a possibility that in time even the towns themselves may shift position.

It seems a big step from the construction of a new by-pass round a town to the closing down of the railway station in that town, but it is quite logical. The advent of the railway to a town did virtually the same thing years ago. One instance will show what happened. The ancient town of Dunstable, with about 5,000 inhabitants, frowned upon the idea of the railway running through its centre, so the line was finally laid through a village called Luton with its thousand odd inhabitants. To-day the whole world knows Luton, the centre of the straw-hat trade of the country and with other big industries. Its population is nearly 100,000. Five miles away Dunstable still exists; its population has hardly doubled and it does not count as a trade centre.

Trade in those days followed the railways, and continued to do so for the best part of a century. To-day trade is still following the latest development—fast motor transport and the by-pass roads.

What now will happen? Two developments are possible; either or both may occur. The development of air travel may anti-date both the railway and the motor-car, or the railroads may be converted into ideal roads, in which case one can see an immediate return to popularity of the existing towns and cities.

Such changes are a long way ahead, but they demand consideration because they do suggest what may happen if the service station continues to develop as it has done in the last ten years. The whole subject is one which cannot be left out of account when business men consider the future.

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WASTE A LOT
OF YOUR MONEY

by THOMAS DIXON

Life is made up of small things, we are told. Certain it is, at any rate, that in business life it is the small things that, in the aggregate, worry us more and involve more work, trouble and expense, than the big items.

Very remarkable economies frequently follow a close check-up on quite minor operations. Not so very long ago a diligent observer studied the work of a group of factory girls who were handling a small article for supply to retailers. The operation, he noted, involved four movements. He saw a method by which one of these movements could be eliminated. It was tried out and immediately the output of the girls increased by 25 per cent and the cost of the operation was correspondingly reduced.

Much undetected waste is going on daily, in many directions, in thousands of offices. The factory girls mentioned above were not "slacking". They were merely wasting effort to no purpose. When they were guided on the right lines they simply did more real work with no greater expenditure of energy.

To increase individual production by improved methods is the aim of all efficient management. In big things, of course, this aim is constantly kept in mind. But the smaller operations, where apparently there is not great scope for improvement, are apt to be overlooked. It is a great mistake. A small leak may sink a big ship.

Have you ever considered the waste of time involved in dealing with your business correspondence? Do you realize that your shorthand typist may spend

as much as three hours daily in writing shorthand at your dictation, waiting until you are ready to dictate, sitting idle while you read your letters, think what to say, answer the telephone, or see a caller? Can you wonder that her total daily output of typed matter bears little relation to her real capacity?

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These figures indicate a leak which, in many business offices, is serious and could readily be stopped. Business correspondence often costs 50% more than it would if the dictating machine were installed.

Nor is the only leak in the typing department. The business man himself invariably wastes much time which The

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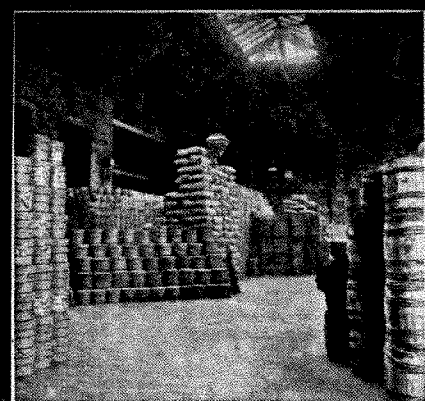
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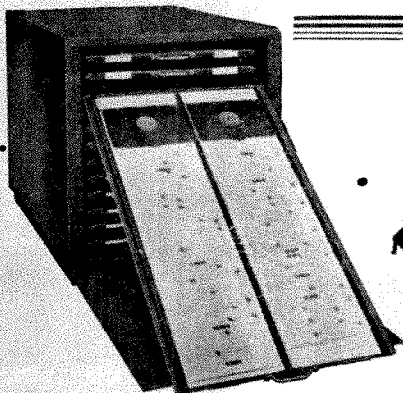
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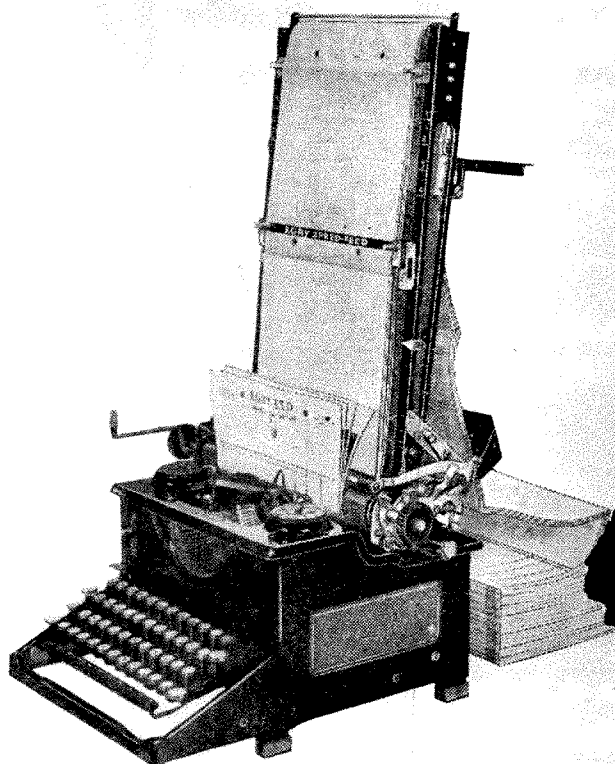
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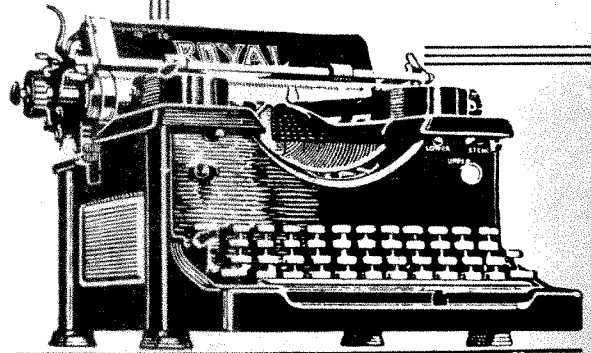
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BUSINESS



These Management Policies

have *Built Up Profits*

By F. T. POULTON

From an Interview with

A. COLIN KINGHAM

Managing Director: Rolls Razor Ltd.



Rolls Razor Limited have just completed another good year. A year in which trading profits were raised by nearly £27,000 above the previous twelve months' trading, and in which deferred shareholders received a dividend of 300 per cent, plus one free share for every share held.

For several years this firm has been steadily climbing in this manner, an achievement due to the effectiveness of the single-point policy of management and control represented by the managing director himself, Mr. A. Colin Kingham.

To appreciate how Mr. Kingham's principles of control have carried Rolls Razor Limited forward to its

present excellent position, it is necessary to look back a little.

In the early days of the company, some seven or eight years ago, its position was not so good. True, it had a fairly good product; but such was the number and complexity of operations necessary to produce it, that the maximum quantity of finished razors which the sales force could dispose of was not nearly sufficient

to keep properly employed the huge plant and staff which the technical requirements called for. The individual machines, while all were necessary, worked so fast that for a considerable part of their time they were idle.

Thus the overhead costs were greatly disproportionate to the turnover. And though sales were increasing, the burden of costs still rendered the proposition an uneconomic one.

At this point Mr. Colin Kingham took over, and at once started a campaign which would increase revenue and at the same time automatically reduce the ratio of costs.

Owing to the nature of the work involved, it was not possible to reduce the size of the existing plant, or materially to reduce the staff neces-

How Unit Costs of Production Were Reduced

sary to turn out the razors. What was done, therefore, was to search for additional products which could be "sandwiched" in the production time. Several of these were found which, on the one hand, kept the machinery and staff employed when it would otherwise be slack or idle, and which, on the other hand, constituted profitable items to sell.

At least one of these auxiliary items, namely, moulded products, has since developed into a very large business by itself, as the company now not only makes shaving soap-bowls for its own use and has large contracts for other manufacturers, but does a big business in all kinds of plastic moulding.

In this way plant and staff became fully occupied, revenue from the wider range of sales was increased, and the unit cost of production thus brought right down to a profitable level.

Another factor which helped considerably to reduce costs in those

early days was a system of budgeting twelve months ahead for materials and other expenditure, and a strict monthly check-up to ensure that budget requirements were properly observed.

This budgeting was done, not solely to hold down costs, but also to increase sales. The very fact of accurately budgeting fixed the output of finished articles—with their cost—and so the volume of sales necessary to bring a profitable return could be fixed and steadily increased.

Mr. Kingham considers that, though a strict and detailed budget system was necessary for a few years, it is not necessary to employ it so closely now that the company's costs, internal routine and sales progress have been lifted to such a profitable level and endowed with a good momentum.

The Budget Automatically Checks Departments' Expenses

The budget still operates, of course, and is controlled by the Cost Accountant, but departmental executives to-day work to it by intuition rather than by constant reference.

Even in its present less vigorous form, however, the budget is still an important factor. For instance, it provides an automatic check on any departmental expenditure over and above that previously budgeted for, as all expenditures which materially exceed the budget allowance must first come before the Managing Director for personal sanction.

It is Mr. Kingham's policy to allow all departmental executives to have full freedom and responsibility in their jobs. It is in connection with a policy such as this that the automatic check of a budget is essential. The very fact that a substantial extra cash commitment by a department, however well merited and economic the outlay may be in itself, must receive the personal sanction of the head of the business brings to bear upon executives just that influence of restraint which makes them consider well before recommending any drastic departure from normal expenses.

These two factors, therefore:

- (a) Bringing other lines into the production stream and the sales outlets, plus the development of a strong sales policy both at home and abroad;
- (b) Budgeting ahead for materials and sales;

have been the main broad factors which have built up Rolls Razor prosperity.

To these, however, I think should be added a third. It is that of Mr. Kingham's insistence upon single-point control. He himself takes personal responsibility for everything that happens within the organization.

Single Point Control Makes Management Flexible

Mr. Kingham is not a believer in conferences. "Management by Committee" he considers too ponderous a method to permit a maintenance of that vitally sensitive and flexible touch

between the internal key-points of the organization on the one hand and the ever-changing influences and conditions outside on the other.

Through his policy of one-man control, the requirements of ever-moving market conditions can be instantly met by suitable adaptation of whatever department or policy in the company is concerned.

Right at the beginning of his association with the company, Mr. Kingham made an important change which enabled single-point control to be more closely applied. The company's executive offices were in the West End of London, while the works were located in a suburb. He closed the West End premises and joined the offices with the works, concentrating the entire organization under one roof. Not only was control thus much more efficiently established, but a far better liaison between all executives and departments was created. Work was also made easier and administrative costs were reduced.

In addition to the three main factors of management outlined above, there are many other points in Mr. Kingham's rule which are no less important in their bearing upon profit-building, though they may be more limited in their individual spheres of application.

For instance, the enormous pains which it is insisted shall be taken at every point of the organization to ensure not only the making of a first-class product, but also to ensure that subsequent service to, and treatment of, the customer is fully in keeping with the advertised status of the product.

This is How The Product is Continuously Improved

Efforts are continuously made to improve the razor unit itself, but so that only those modifications shall be incorporated which have been proved beyond doubt to be definite improvements a careful procedure is followed.

Whenever an alteration or improvement is suggested, the Managing Director calls a meeting of all executives, not merely those only who may ultimately be concerned with production.

The meeting then discusses the improvement from all angles, and because of the wide variety of opinion present, and the many shades of criticism directed upon the problem in hand, the "improvement" must be a very real one to survive the ordeal.

Provided it does stand up to this first searching examination, the production department makes a number of models incorporating the alteration, which now has to undergo the severest test of all: Male members of the staff are given one of the "improved" razor sets, with instructions to take it home and use it regularly for a no shorter period than six months.

Several hundred widely-varying tests are thus carried out by people who are representative of those who will be ultimate buyers and users.

At the end of six months, if the

"improvement" is still able to substantiate the original claims made for it, then it can safely be considered proved. In practice, many of the suggested improvements which looked quite good in theory fail to maintain their expected virtues throughout the six months' test under "working conditions". This fact proves the degree to which such an expensive method of experiment safeguards the customer, and ensures that only the most exhaustively tried and fully proved product finally reaches him.

Incidentally, employees of the company are encouraged to study the firm's products at all times and to put forward any suggestions which they think will make for improvement. Suggestions adopted are paid for in cash.

Every suggested modification which is put up to the committee is catalogued and the reasons for its acceptance or rejection are set down in detail. This record proves an invaluable guide when considering suggestions put in by new people. It prevents time being wasted on ideas which have already been examined and, for some reason or other, rejected.

Here is a Comprehensive "Service-After-Purchase" Plan

Another important point, at which the company goes to great trouble and expense to maintain customer goodwill at a high level, is in the matter of service after purchase.

The nature of the razor and blades, plus the varied treatment they meet with at the hands of widely different people, make it inevitable that repairs or renewals sometimes become necessary.

Users are recommended in such cases to return their razors to the company. The company, in turn, gives a 24-hour service.

The service department is specially organized to ensure this, even to the extent of working overtime to dispatch repaired razors back to the customers within the scheduled time.

Here, too, the work is unusually thorough. Razors are not only repaired, but every single one goes through the complete routine of final inspection, just as do new razors straight from the works, and are therefore returned to customers in what is actually new condition.

The latest development of the company to make servicing even more effective is a plan to register all users.

To secure this, all new razors have packed within the case a stamped post-card asking the customer to fill in his name and address so that it may be added to the company's register.

As they are received these cards are filed, and at the end of a month a personal letter is sent to each user, asking if the razor is giving full satisfaction and inquiring whether he wants advice on any point about its use.

This plan is aimed to overcome the serious disadvantage of having some customers who, through mishandling or

(Continued on page 32)

THE OTHER MAN'S WAY

PURCHASE ACCOUNTS OFFICE.
PORTMAN SQUARE.

"BUSINESS"

Please circulate the attached journal in the following order. If you are unable to deal with it within 3 days kindly pass on after adding your name to the bottom of the list so that it can be returned to you after the others have seen it.

Mr. Clayton
" Mendelssohn
" Hoyle
" Granger
" Donovan
" Goddard
" Leslie
" Marshall for filing

Implement the "Readers' List" on the cover of BUSINESS, Mr. A. Clayton of Daniel Neal & Sons attaches the above slip to every copy. He reports that it circulates the paper more definitely and promptly to the executives of his organisation

We Plan Ahead

"We seek to make our products *create demand*, instead of waiting for the demand to arise or to follow other manufacturers who introduce new styles.

"Directly we have successfully launched one new product we have a committee meeting on it, and we say to ourselves: 'In so many months this product will be old fashioned:—What will make it old fashioned?'

"We endeavour to find the answers and straightway to plan a still newer product which will be ready to launch and create new demand or stimulate the old by the time the previous product has ceased to have a news value to the public."

A Radio Manufacturer.

Sales-Minded Office Staff

"I try to get all my office staff to cultivate the salesman's attitude. If the head of a department sends me a note I like to have it on a little memo., but when any of them write to a customer or prospective customer I expect them to take the same amount of pains and energy to get everything attractively and accurately presented as a first-class salesman does in personally putting his proposition before a prospect."

Managing Director of a Stove Manufactory.

Could You Try This?

"We needed some technical examination into raw materials, but the job did not warrant spending a big sum of money for first-class professional work. We therefore handed our problem to a

local technical institute. The students were delighted to get a change of work and to have a real problem to solve. They found exactly what we wanted to know, and the principal was happy to accept a small donation as adequate recompense.

"Doubtless more manufacturers and local technical institutes could co-operate in this way where fairly simple problems are involved."

Director of a Pottery.

Cuts Out Conferences

"We try to avoid conferences. Whenever an executive or department head raises a matter for discussion he is required to type out the points fully and submit them to me. Nearly always the very fact of thus drawing up the facts on paper so analyses the problem that the solution emerges by itself and does away with the need for a Conference. If this does not happen, then the typescript often enables me personally to see a quick solution. If the matter defies both these scrutinies, however, we do resort to the Conference. But our method certainly reduces the number of Conferences to a minimum."

Managing Director of a Novelty Glass Manufactory.

Assists The Stenographer

"In my office I have a little glass-topped table, 18 inches square. This is for a stenographer when she comes in to take dictation. It gives her a better chance to write clearly than when balancing a notebook on her knees and is more comfortable than using a corner of my own desk as a support. The little table can be instantly whisked away into a corner when not in use."

General Manager of a Department Store.

Watch Your Windows

"An architect explained to me that the modern way to glaze windows is from the inside, instead of from the outside. This method obviates the use of scaffolding, etc., for window repairs. When the huge area of glazing in modern offices and factories is considered, the value of this procedure is obvious. Every business man, when building or reconstructing would be well advised to insist on inside glazing."

Proprietor of a Toy and Model Factory.

Here's NEW Business

A high-frequency electric crucible steel furnace of a new type with capacity of 5 tons—the largest in the world—has just been installed by a Sheffield firm.

A new gas furnace, also invented in Sheffield, is stated to be the first furnace capable of treating steel without causing "scale" on the surface.

A small powder compact, integral with the lid of fancy chocolate-boxes of the size bought for theatres, etc., is the latest packaging novelty being marketed by a French firm.

A new machine has arrived for automatically glueing and sealing one or both ends of rectangular millboard cartons. It is the first of its kind to be made in Britain, and has a capacity of 40–60 cartons per minute.

A furniture removal van has been devised which reduces haulage costs. Though it weighs less than 5 tons unladen, it has a capacity of 1,000 cubic feet. The van is a 6-wheeler, with detachable motive unit on 4 wheels. There is an entire absence of projections on the inside, and a device which prevents the doors from flying open beyond the width of the van and so fouling passing traffic.

A desk of chromium-steel framework and reinforced plate-glass top and shelves has appeared. The advantage of it lies in the fact that the user can see what is on the second, third or bottom shelf merely by looking down through the glass.

A propelling pencil which incorporates in the barrel a roll of thin writing paper has been launched in Dayton, U.S.A. The paper is 72 inches long and 1½ inches wide.

A new identification method, which obviates the marking of goods themselves is being marketed by a firm of laundry machinery manufacturers.

A light rail-car driven by a 130 h.p. Diesel engine with hydraulic transmission is being made for the L.M.S. by a well-known firm of road motor vehicle manufacturers. The new car weighs only 10½ tons, carries 40 passengers, does 13 m.p.g., and reaches 50 m.p.h. in 50 seconds from a dead stand.

A loading device for coal has been installed at a large port to minimize the breaking of the coal during the loading process. This device will decrease the risk of fire on coal-carrying boats and will also give great satisfaction to foreign buyers.

High-frequency vibrators of a new type used in place of ordinary concrete-mixing machines have produced a concrete of higher strength and greater density.

Synchronous electric movements are being made for fitting into old domestic clocks which, for their association and sentimental value, people are loath to discard. A vigorous new offshoot is thus developing side by side with the rapidly growing output of modern electric mains clocks.

Which Makes Better Profits TO-DAY . . .

The Rationalized Unit or

PHILIP LAZENBY, a Lancashire Cotton Manufacturer contends that, in the cotton trade at any rate, the large "rationalized" units have been well beaten in the race for profits by the smaller, independent concerns. He states that most business men have considered that rationalization applies to production only, and that normal rationalization in industry induces inflexibility and inefficiency. He doubts any one man's ability properly to control this type of big rationalized unit

One would imagine that the subject of rationalization had now been thoroughly discussed and dissected until nothing further remained to be said about it, even if no two people define rationalization in the same way. It seems to be still generally assumed, however, by the industries of the country, that the rationalized unit refers specifically to production, and that other subsequent processes must be dealt with on their own merits.

The idea of large-scale production was grasped as a means of reducing working costs and fighting depression, and a large number of industries present extremely large units for production.

While nobody condemns this from the view-point of pure theory, in practice it is generally found that no one man can be found who has the vision to control such a vast undertaking, and the rationalized units have not been conspicuously successful in their balance sheets.

This has been particularly the case in the cotton trade, where the largest combines were the first to cut prices, lower profits and generally make a mess of the trade. While this may be partly due to the lack of cotton trade leaders, and is certainly due to the fact that nobody had any experience of running a really large producing unit, the fact

remains that while the large-scale firms have lost money, there are a number of personally-managed smaller ones which have kept on making money.

Cotton is perhaps peculiar in that it goes through a relatively large number of processes before being sold, each of which is usually done by a separate firm. In the ordinary course of events, the producing firms segregate themselves into isolated compartments, with the result that there is really no trace of co-operation between the different processes, and it is virtually impossible to track down a complaint to the true source. Figure 1 shows how the various branches of the trade have come into isolated communities for large scale production, and will demonstrate clearly how the petty jealousies of such communities cause friction in the trade.

Nevertheless, one firm, at least, has worked on different lines. In order that complaints of bad work could be traced to their true source with a minimum of trouble, it was found necessary to group the producers and processors in a loosely-linked ring. The firms so connected are free to do other business that comes their way, and a sort of "Gentleman's Agreement" between them all made it possible not only to improve business, but also to arrange sales so that no friction between the various component firms arose. Figure 2 shows this particular form of linkage, and it is interesting to note that the particular firm of which we think is at the moment in an almost impregnable financial position, while the rationalized competitors are extremely troubled about money problems.

Since the component firms of this ring are very closely connected with each other, a special sales office as well as a head office is quite unnecessary. Excessive expenditure is thus cut down. The sales office is under the roof of one

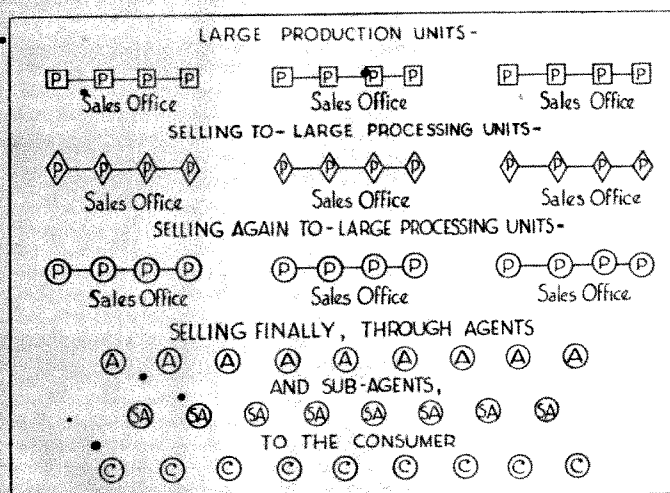


FIG. 1

Mr. Lazenby holds that normal rationalization is "horizontal" as above, and results in scattered confusion, ineffective control and high costs through over-lapping and friction. He advocates "vertical" rationalization (right), and claims that it overcomes these difficulties.

Mr. Reeve criticizes both these arrangements on the grounds that neither represents a rationalized unit, but only an amalgamation, and that neither possesses a controlling centre.

Both these contentions are individual opinions. They do not necessarily reflect the views on the subject held by "BUSINESS."
—Ed.

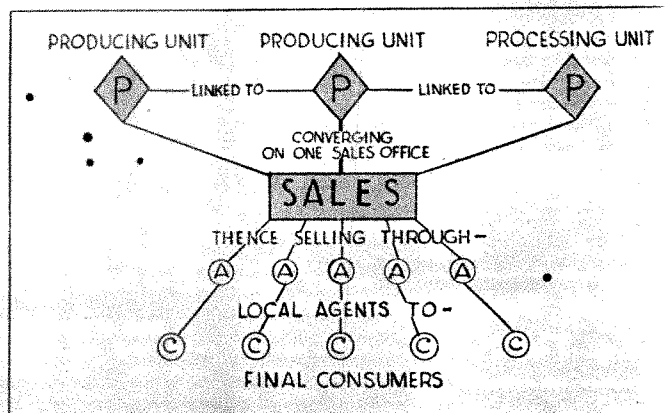


FIG. 2

?

the Independent Concern

of the firm's mills, and remains in close touch with all stages of production and processing.

It was further found more satisfactory to have direct communication between agents and the sales office, whatever part of the world such agents happened to be in. Through these agents, the customers are in direct touch with the sales office, and do not have to approach through sub-agents and region agents. While this causes a little more work, the situation is infinitely more satisfactory, apart from the fact that it cuts out the cost of having regional agents, in addition to the customers' agents. An agent is placed in every town where business is

likely to be possible, and systematic control of policy and prices is made simple.

The ring, as a whole, does not possess a sales research department, but pays a retaining fee to an organization specializing in sales only, contact with which is maintained through the ring's sales office.

In this particular instance, it can clearly be seen that the production and processing of the cotton is all under the eye of the sales office, which can at any time find out just what is happening to a particular order, and can give any instructions to modify it without causing endless trouble and correspondence. While the normal rationalized unit

might be referred to as rationalized *horizontally*, the ring under discussion could equally well be considered as rationalized *vertically*, and in cases where goods have to undergo a number of varying processes under different roofs such an arrangement is infinitely more likely to prove beneficial to trade than the horizontal rationalization, in which the processes are kept in watertight compartments, and seldom come into direct contact, either with each other or with the ultimate consumer. In other words, the vertical rationalization system allows co-operation between the actual producers and the actual consumers, which is—after all—the aim and object of business people.

C. W. REEVE, Chairman and Managing Director, The Associated Equipment Co. Ltd. (Builders of London's Buses) disagrees with Mr. Lazenby and maintains that one man, or a very small group of men, CAN and DO effectively control the large unit and that, given this proper control at the top, rationalization can be made highly economic and profitable

It is considered the interpretation given to the words "Rationalized Industry" is far too narrow, as it is not generally taken to mean only an amalgamation of a number of firms making similar products, and one would prefer to adopt the wider definition taken from the Final Report of the World Economic Conference:

"It (Rationalization) is the method of technique designed to secure the minimum waste of either effort or material. It includes the scientific organization of labour, standardization of both materials and products, simplification of processes and improvements in the systems of transport and marketing."

It will be noticed that the theme running through the definition is the elimination of waste—either in the form of effort or material—and, accepting such a theme, one cannot surely suggest that rationalization is not of advantage to the community.

Looking at the diagrams in the article on the opposite page, neither of them appears to represent correctly rationalization, but a form of amalgamation. I know nothing at all about the cotton industry, nor of the financial status of the firms and companies

originally included in the amalgamation referred to—nor of those not included—but, from reading the article, it would appear as if the amalgamation suffered from not having centralized control, one of the essentials of any scheme of rationalization: control not necessarily in the hands of a single man, but in a group of men who should, at any rate, fix the major policies.

It should be remembered that amalgamation is not a substitute for management, but good management is an essential for successful rationalization.

In this country there have not been so many examples of schemes of rationalization as in the United States and on the Continent, but it is considered there are in this country examples of the various forms of rationalization which appear to have been successful.

Of the "horizontal" type, one can call to mind a large motor manufacturer, who, making a very popular model of private car, selling at round about £700 in 1922—and the men per car manufactured then, numbered 55—by constant internal rationalization (i.e., the elimination of waste) during the intervening years, by 1934 is able to turn out a similar type of car, but

to a better specification, selling at just under £300—and the number of men per car manufactured has been reduced to 8. This elimination of waste effort has not meant a reduction in the total number of employees, but, on the contrary, an increase during the twelve years. The number of employees having multiplied five-fold to cope with the increase in the demand for the product.

Of the "vertical" type, a well-known example is that of a combination of soap manufacturers, who, commencing with the manufacture of soap and glycerine, in order to control its own raw materials and supplies, ultimately enlarged its activities to include banking, shipping, engineering, mining, building, whaling, seed crushing, oil refining, and the operations of plantations and fisheries, as well as the manufacture of related finished products, and at the present time controls the activities of between 500 to 600 units all over the world.

Another example of a group of companies owning many of its own sources of raw materials, and dealing with them throughout the various manufacturing processes to their ultimate sale to the public, is one whose name is well known in connection with tyres and golf-balls, as well as other articles in everyday use.

A further example is that of a large company in the chemical industry controlling from the raw material to the finished product many units, whose activities cover a very large range of diversified products and articles required by the world at large.

In each of the above examples success or otherwise can be judged by the public appreciation of their capital issues and their position in the financial

markets, and each of them at the moment stands at a very high level.

A good example of rationalization from the organizations in the United States is to be found in the case of the General Motors Corporation. Here a colossal organization has been built up in which, whilst the individual companies have retained their identity and management, the policy of the group as a whole is centralized, together with such activities as research, bulk purchasing and other similar functions, with very material benefit to the units requiring these services. No one who is at all familiar with the motor manufacturing industry in the United States would suggest for a moment that the General Motors Corporation has been unsuccessful. On the contrary, the standardization of many parts has been the means of eliminating a good deal of waste, and the continuous improvement of their products concurrently with a reduction in selling price has developed an increasing public demand.

At the present time in the various countries of the world there is a tendency for the governments of the countries to take a larger part in the affairs of commerce by the introduction

of quotas, codes, marketing schemes, and other forms of control of prices and output, and it is considered that one of the results of such a tendency will enforce the smaller units to become more and more inclined to co-operate with each other to attain the major benefits out of any schemes intended for their protection.

It has been suggested on several occasions that it will be difficult in the future to find a sufficient number of men with the organizing and commercial ability to manage the various units in a rationalized industry, and this problem has been exercising constantly the minds of many of the leaders of industry during the past few years.

There are in existence, however, at the present time, associations such as Management Research Groups, etc., whose aims are the encouragement of discussions and exchange of experience on the subjects comprised under the heading of Managerial Control, to enable the members (senior and junior) of commercial organizations to obtain a knowledge of managerial problems so that they may be trained and prepared for the carrying on of the larger units which may come into existence.

Strait-Jacket Period

Man has already gone through two major periods, a psychologist writes, and is just entering a third era. First came the long stretch from early Greek culture to the development of modern science—a period characterized by belief in superhuman phenomena.

Science ushered in the second period, characterized by materialism and an abstract search for truth. One by one, science solved mysteries, and man came to look upon the world as a logical, well-ordered unit—a sort of scientific strait-jacket.

Now, however, the third period opens before us. Science has changed its materialistic views, and seems to be leading toward a more philosophic conception of the universe. In this new way of thinking the emphasis is upon spontaneity, creativeness, and initiative.

Looking at it from the broader viewpoint, are we as business men adapting ourselves to the new spirit that appears to be abroad in the world? Or are we still in the strait-jacket period?

Use Good Ideas Quickly

Most business men recognize that it is ideas that make a business go, and that new ideas are essential to keep a business progressing. Yet with all our respect for ideas, we have a tendency to talk them to death.

An idea occurs to a business man. He brings it up before his colleagues. They discuss it, revise it, challenge it, and try to anticipate all the possible objections to it. This is good procedure—provided it is not carried too far.

One of Henry Ford's old associates has stated that Mr. Ford seldom put a new idea into effect if it was talked over for a period longer than 48 hours. This helps explain why Henry Ford, an unsuccessful inventor at 40, rose so rapidly to his outstanding position in the automobile industry.

Enthusiasm is required to make a success of any new plan or idea. Old ways must be changed, and this calls for a certain excitement and intensity of effort that is lost if the idea remains "on the table" too long. Once the decision is made, we should waste no time putting a new idea into operation. It then has steam behind it.

We Enjoy Our Troubles

It is not the pleasant experiences that make their impression on us, and give us things to talk about afterward, but the hardships and threatened catastrophes, from which latter happily we so often escape.

These are the experiences we like to recount, and which really furnish life with interest and excitement. Yet, curiously enough, we are reluctant to expose ourselves to them.

THE BROADER VIEW

Tecumseh's Silent Speech



It is told that back in 1811 the North American Indians known as the Creeks held an important war council. The hated white men were beginning to en-

croach upon the red man's lands while the Indians had been too busy fighting among themselves to realize their danger. From all directions the various tribes came to gather around the council fire to discuss their common enemy.

After sitting in silence for some time as was their custom, the orator of the day, that remarkable Red Man, Tecumseh, arose to direct the attention of the assembled braves to what was going to happen to them all if they continued to war among themselves, each tribe pulling away in its own direction, instead of all holding together and making common cause.

Not a word did Tecumseh utter in his "speech", yet it is doubtful if in all history there is recorded a more eloquent appeal than was made there at that strange forest council.

Standing like a statue in the midst of the circle of silent warriors, Tecumseh

held aloft his war club in one hand. Then, slowly, he loosened finger after finger till at last the club fell to the ground.

That was all. But the braves understood; they were used to such silent "talks". The result of that pantomime appeal was to fire the Creek heart to a great struggle for their self-preservation, a struggle that saved their lands to them for several years.

Were Tecumseh alive to-day he would make a great business executive. At the head of some modern business organization he would discover striking ways of showing the workers and managers of his industry how foolish it is for them to be selfish and self-centred

By •
ROBERT :
R. UPDEGRAFF

in their work; how profitless are departmental jealousies. He would cause every worker to see the wisdom and profit of combining, as individuals and as departments, to organize the business tightly and make it work for all.

WHY WORLD TRADE

All the internal figures and signs of the last month point to a continuance of British trade improvement. The precise statistics and indications are set out below and in the charts overleaf as usual.

Why is it that this improvement in British business over the last 18 months, which can be indicated roughly as a conservative 10% in general business activity but as a 50% improvement in confidence, has not been paralleled by a general upturn throughout the world?

Will our Improvement continue?

This is not only a *puzzling* question: it is an *important* question as well. For our progressive improvement must eventually slow down into neutral unless a real world upturn comes up from behind us to give a still further upward impetus.

The reason is that one nation learns more quickly than do 20 nations; that no country seems to be able to learn by observations of another country's experience, but only by its own bitter experience (the same holds true of many individual businesses—the sort whose directors cannot see any value in reading a journal like *BUSINESS*, and through it profiting by the experience of others); and that until all countries have learned from unsuccessful experience the fallacy of certain economic and political policies recently in favour, a real improvement in world business cannot take place.

One crisis, one election, can turn the scale in one country, but not in two countries at one time. Unfortunately, many countries have still to learn by bitter results the fallacy of pursuing these policies. This will take time.

Currency Depreciation is no Remedy

Virtually all the nations that were engaged in the War have tried the policy of currency depreciation. Germany, France, Italy, Belgium, and others, learnt by bitter experience that undue deflation of currency is not worth while, and has results which are expensive in the long run. These countries have learned their lesson. We learned it by observation and kept our depreciation down to due proportions. Japan has still to learn the lesson, and will in the long run have to pay for her present undue depreciation. The U.S.A. is still flirting with the lure of artificial inflation.

The same holds true of undue economic nationalism. In the last decade the U.S.A. and France were the greatest offenders in the policy of selling as much as they could abroad and letting in at little as possible. They are now experiencing the inevitable result: a



IS NOT IMPROVING

heavy drop in their exports to the point where they have fallen far below imports. Other countries, either because they wanted to pursue the same nationalist fallacy or in self-defence against those pursuing it, have had to introduce similar restrictions on imports. This has in turn reduced their exports, caused a decrease in trade, and so in general activity.

Subsidies, and government financing and bolstering of businesses, is another of the fallacies that many countries are still practising, and will continue to practice to the detriment of world trade until they have experienced the untoward consequences therefrom. Subsidies are holding back revival of world trade because they are a restriction on international trade and a hindrance to its efficient conduct. They help to unbalance budgets; they increase costs; they unsettle established channels of trade.

The Reasons in Brief

Britain has found, and is applying a policy which is creating progress and establishing confidence. Other nationals, however, are not observing our success and adapting similar basic principles to their advantage. On the contrary they are obstinately sticking to their own experiments which are manifesting themselves to be more and more fallacious as time goes on.

The existence of such a number of policies, each insular and erroneous, and all at variance with one another, are preventing the general development of world trade improvement

Our "long-view" Import Duties

It may fairly be asked: Why are we prospering in spite of the fact that we too depreciated our currency and imposed import duties? The reason is threefold:

Firstly, because our import duties are not increases slapped on to already high import duties, are not prohibitive, are on the average reasonable, and are being used nearly as much for bargaining purposes as for exclusion purposes.

Secondly, because our currency depreciation likewise has been of relatively small proportion, represents only the margin by which our costs had become rigidly fixed above our competitors, is being kept under control and is not used for dumping purposes.

Thirdly, because we have not operated either our import duties or currency depreciation in a purely nationalist fashion. The Ottawa agreement with the Empire, and separate trade agreements with foreign countries, have really meant that *we have not been pursuing a narrow nationalist policy; we have really been pursuing an international trade policy on a limited scale*—that is, with the Empire countries, and the sterling areas and trade agreement countries.

We do not believe that Great Britain would have experienced a steady trade upturn in the last 18 months if we had used currency depreciation and import duties to pursue a strictly insular nationalist United Kingdom policy. It is because we did *not* use tariffs and depreciation for such a policy, but immediately brought in a considerable portion of the outside world into our trading circle, that we have progressed.

A Better Prospect Abroad

This looks like a gloomy international picture. But it is only gloomy if we look to the past. If we look to the future, there are signs that the clouds of these fallacious economic policies are lifting. Not everywhere, not uniformly,

but there are more lightening shadows than darkening spots.

France is balancing her budget, reducing her expenses, probably reducing her cost of living, stimulating internal confidence. The coming trade agreement with Great Britain will probably be the beginning of a less nationalist trading policy. She has still a long way to go, but she has made a start.

Italy is seeing to it that her budget shall not become unbalanced again; is reducing prices and living costs. The

internal position of Holland is causing anxiety; imports of merchandise were down by 19% on last month, and 5% on the same month of 1933, while exports are down by 10% on the month and 20% on the year. Strenuous action is being taken to improve her position.

Business often Depends on Politics

The Baltic and Scandinavian countries are steadily improving their positions and endeavouring to increase

the volume of their international trade by agreements. Whether the Balkan countries will follow suit we do not as yet know. Germany is still playing her game of bluff—import restrictions versus international debt payments; and will continue to do harm to international trade. The political situation on the Continent, regarding disarmament, is not at the moment encouraging to trade.

The South American States, Brazil, Argentina, Paraguay, are in a good position. All, Brazil in particular, have taken more imports this year than in the same period last year, though there seems to be a desire to trade among themselves rather than with overseas nations. Japan is still carrying on her policy of peaceful penetration of the South American markets.

The U.S.A. has not yet made up her mind on the question of letting in more goods in order to sell more goods abroad, versus keeping out foreign goods and retaining the home market for home-produced goods but at the expense of her exports. She has not yet made up her mind whether to go in for further deflation and inflation. She will probably decide on both counts in favour of the sounder alternatives. But she may not.

Is Japan Short-sighted?

Japan, likewise, is not helping at the moment. There is no doubt that if she continues her ruthless exploitation of low-production-cost goods she will meet with definite import restrictions in certain parts of the Empire and other Western countries. Perhaps she will be wise enough to anticipate this by accepting friendly restricting agreements.

Good Prospects at Home

There are this month even more indications than usual pointing to trade improvement.

The Budget has had a favourable influence on prospective distributable profits, on enterprise, on certain specific trades, and on general confidence.

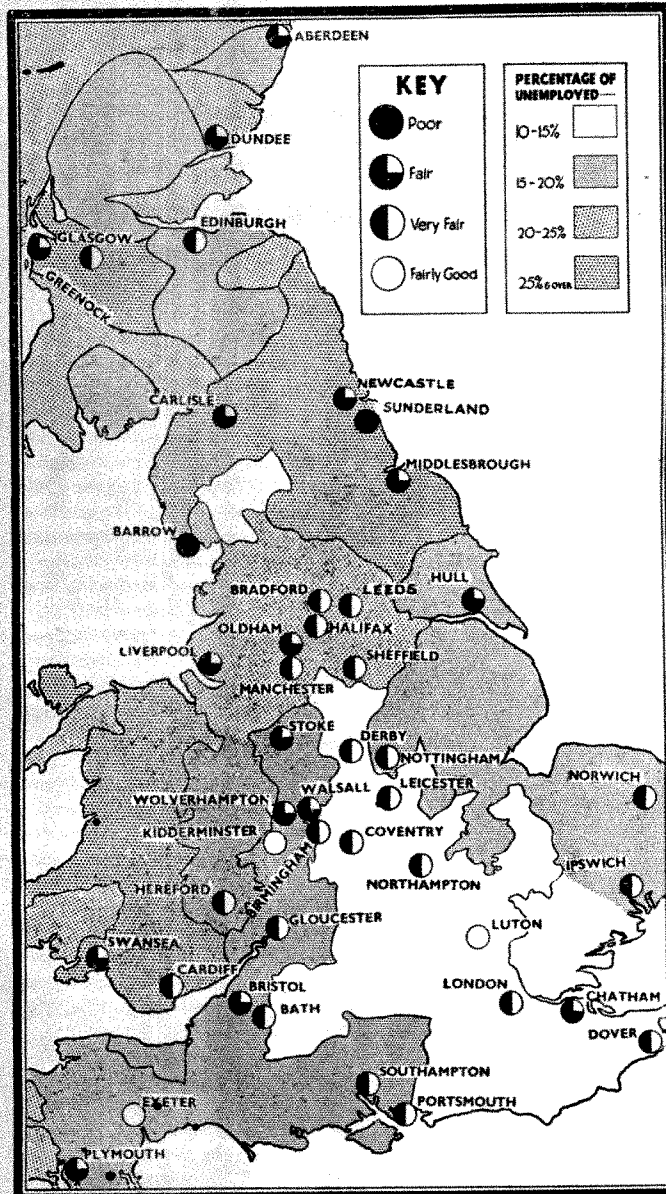
Unemployment is down by 116,000 on a month ago, 574,000 on a year ago—the largest monthly reduction during the past year. Every division of industry except one shows a decrease in unemployment.

Compared with a year ago, these trades all show a decrease of more than 10,000 in the number of unemployed:

Coal-mining, engineering, building, metal goods manufacture, iron and steel industry, the distributive trades, motor manufacture, ship-building and repairing, woollen and worsted trades.

The production of coal for the last four-weekly period was 23% up on the preceding month, and nearly 6% on the same period a year ago; and recent Trade Agreements call for still further

HERE IS THE SITUATION THIS MONTH



London District: Trade generally is good. Employment has increased, and activity is marked in every line of business. Retail sales are up and bank clearings are steadily increasing. Concerning home trade a spirit of optimism prevails, though foreign trade is dependent on political conditions, and so the attitude of the City seems to be one of wait and see.

E. & S.E. Districts: Agricultural reports are fairly good. The state of crops is satisfactory, though rain is needed. Farmers are worried about the new control boards which are to be instituted. Fishing is not so good; calm weather has affected trawling, and landings were down by 25%. The market for herrings has increased owing to the failure of the Norwegian season, and stocks have been exhausted.

Midlands: The iron and steel trade continues to improve. The demand for motor-cars has not quite come up to expectations, and the bulk of the trade is in small cars. The new Budget provisions should have a further stimulating effect on the trade shortly. The hardware trade has taken a turn for the better.

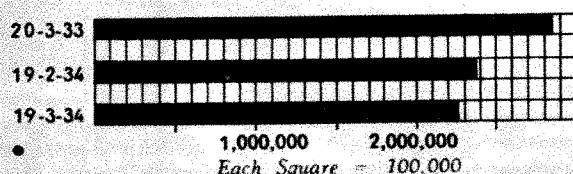
W. & S. W. Districts: There has been a great improvement here. The tinplate trade is working at 60% capacity and steel works at 75%. Buyers are active. Unemployment is down considerably. The general state of the coal trade is poor, though there has been an improvement in foreign shipments.

N.E. District: There is more activity on the Durham coalfield, and the steel trade on the Tees-side is improving. There are substantial orders in hand for the next few months. The export market is not as active as it is at Sheffield, where it has revived considerably. In the West Riding, woollen manufacturers are still active, unemployment decreasing.

N.W. District: Engineering is more active owing to the activity of local contractors. One steel corporation is completely renewing its plant in anticipation of largely increased business in the near future. The cotton trade has experienced a slight betterment, though the increase is in the home trade only. World consumption of cotton is still rising, but foreign competitors are getting a bigger share of the new business than is Lancashire.

UNEMPLOYMENT—DOWN

Number of Insured Persons Unemployed



expansion of our exports. Steel output was up 18% on last month, 40% on a year ago; iron up nearly 20% on a month ago, nearly 60% on a year ago. Five more blast furnaces were blown in last month; new equipment is being installed in steel works. Exports of both iron and steel are rising. Ship-building shows an increase in tonnage building of 45% over a quarter ago and 90% on a year ago.

Engineering and machinery output must be increasing in proportion to the decrease in unemployment. 10,000 more motor-cars are in use this year. Building is increasing; 25,000 more men are at work than a month ago.

The General Industrial Index is 5.3% higher than last year.

Figures which Reflect Industrial Activity

Raw material prices are virtually the same as a month ago, but 10% up on a year ago. Food is down by 3.7% on a month ago and up by 4% on a year ago. Wholesale prices are up on last year, though down on last month. The cost of living is down by one point on a month ago, though not on a year ago.

Retail sales are up by 5.7% on a year ago. Provincial Bank Clearings are up at every centre on a year ago, 9% in all. Electricity consumption is up 19.6% on a year ago. Railway traffics are up £394,000 on the same period last year and £238,500 on last month; on the first increase is over £2,500,000, year.

Exports were nearly 10% up on a month ago and 6% on a year ago. Exports of cotton and coal decreased, but the following trades showed increases: Iron and steel, £230,090; Non-ferrous metals, £442,101; Woollen manufactures, £447,795; Chemicals, £293,801; Motor-cars, £192,197. Imports, again largely due to raw materials, were up. Individual ports, Newcastle and Southampton in particular, show increases in dockside activity which speak eloquently for the future of British shipping. The latest figures show an increase of 8% in shipping to, and 4% increase in shipping from, British ports.

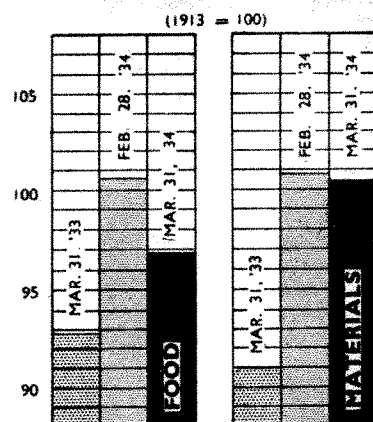
Overseas Trade: Prospect Improving

Empire trade continues to grow. South Africa shows a large revenue surplus, increasing internal prosperity, £1,000,000 more goods purchased from us than in the same month last year. Canada reports 15% decline in unemployment over the year. Imports are up 44% in value on last year, and exports show an increase of 5%. Both Australia and New Zealand are taking more British goods.

The Russian trade agreement already last month produced 40% increase in our February exports, while purchases of British goods showed an increase of 600% on March, 1933. Trade agreement talks are still in progress between

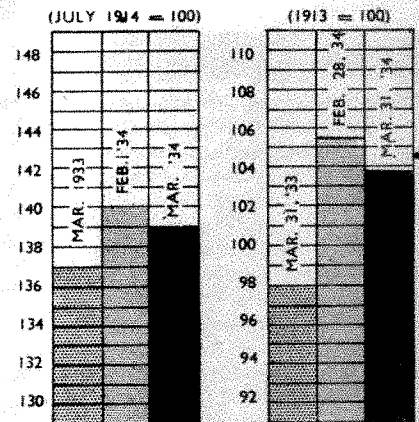
this country and Latvia, Esthonia, Lithuania, France and the Netherlands, while preliminary conversations will shortly commence with Poland and Uruguay. So, although the position of overseas trade is not too bright at the moment, it has good prospects of improvement in the near future.

COMMODITY PRICES—DOWN



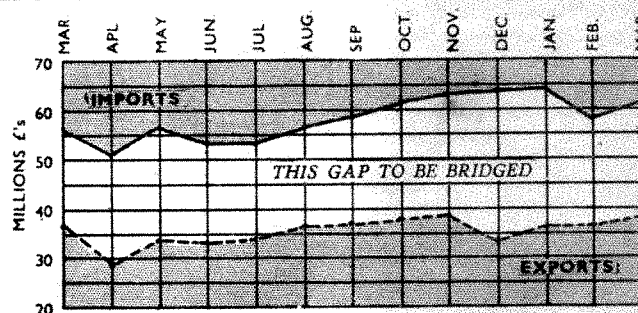
COST OF LIVING—DOWN

WHOLESALE PRICES—UP

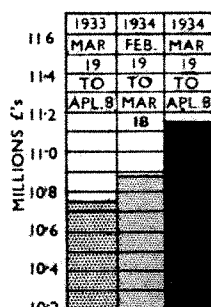


EXPORTS—UP

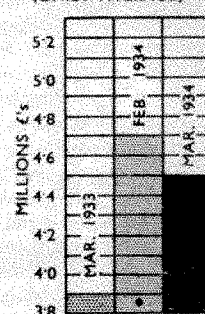
IMPORTS—UP



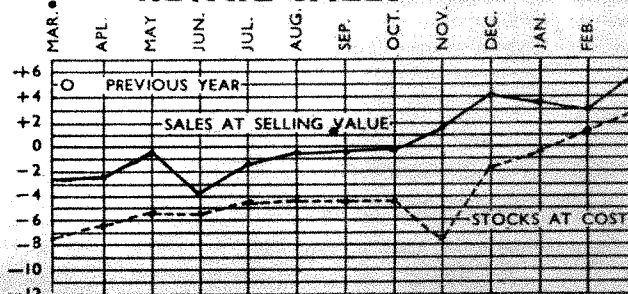
RAILWAY TRAFFICS—UP



PROV. BANK CLEARINGS—UP



RETAIL SALES—UP





The B.B.C. is guilty of speeding up life. When the Announcer says on Thursday evening that the weather outlook for Saturday is—whatever it is, the week seems to be gone, and surely the days disappear quickly enough already. However, that is in keeping with the age. But there are some things that we do like to try to forecast, and the business outlook is one of them.

It is possible for any business to get a very good idea of what is likely to happen to sales in the future. All that is necessary is the sales figure for each month for the past three or four years. Add the sales for January to December inclusive for, say, 1930, and to that total add the sales for January 1931 and subtract the figure for January 1930. Put a mark against the answer and carry on adding the figure for the next month and subtracting the figure for the same month in the previous year, marking the resulting figure each time.

By the way, you may find a tendency to forget whether you are adding or subtracting, but when you have once added or subtracted in the wrong place and have had to start again, you will be cured of that particular slackness.

This Sales Trend Line is Easy To Make

Now get a sheet of chart paper, preferably semi-logarithmic, and carefully chart the figures marked in the calculations. The result will be a clear-cut line showing the way in which your sales are trending. What of the future? As you look at the line you will see the direction in which it tends to go: sketch in the suggested projection in pencil, and see where it leads to in twelve months.

It is a concentrated picture of the results that are coming and will come from the organization as it is. It irons out all the fluctuations and shows the true course as distinct from the tacking backwards and forwards shown by a chart of the separate monthly figures.

The very least to be learned from this method is whether the tendency is upward or downward. The concern of higher management is with the general trend of business, and from that knowledge the detail plans evolve. It is, therefore, only good common sense to make the past figures yield as much guidance as they will, since there is quite enough compulsory guessing to be done when it comes to making the

detailed plans. Sales are given as an example, but obviously other records can be analysed in the same way.

No amount of reading about charts and curves can ever explain the value of them. To plot the moving annual total curve of sales as described, will give a new angle on the use of statistics in any business. The description purposely stops at the barest essentials, because although it is possible to discourse at great length about the various interpretations that can be put upon the shape of the curve, the rate and position of rises and falls, and a hundred other things, no words will convey half as clearly and quickly, the knowledge that will come from experimenting with your own figures.

Mention has been made of semi-log. paper. Well, if it introduces a complication, use ordinary squared-paper first, and plot the figures again on semi-log. That will show the difference better than the most erudite treatise on logarithmic co-relations, or any other fanciful name that might be given to it. The advantages of the paper will become self-apparent; you will appreciate the standardization, and the way in which it shows the percentage relationship between curves based on figures of quite different magnitude. The easiest way to see this is to draw it. 2.5 plus 20% is 3; 50 plus 20% is 60.

Plot 2.5 rising to 3, and 50 rising to 60 to the same scale on ordinary squared paper, and the lines or curves will rise at very different angles; plot them on semi-log. paper and they will rise at the same angle because they have the same percentage rate of increase. It is easy to see how useful this is when comparing sales of different products, or when comparing sales and sales expense.

This Curve Does Not Allow For Emergencies

Then again, the projection of the moving annual curve into the future requires thought. To follow the natural projection pre-supposes that no major change in policy is under consideration such as a slaughter in prices or an entirely new advertising campaign.

However, we return to the point from which we started, and say that it is possible to get a very good idea of what is likely to happen to next year's sales by a study of past events. The demonstration of the obvious foresight is 90% hindsight, and the thing is to make a start on organic the hindsight. It will introduce a confidence into your dealings with statistics, and the feeling that action being taken on knowledge in place of former leaps in the dark.

Team Work Aiming At CUSTOMER—SERVICE

To-day's Most Vital Business Need

THE paramount need throughout all industry is for a planned team effort towards improving the service rendered to the whole team of customers. PLANNING, TEAM WORK, and SERVICE—these are the three golden keys which, in my judgment, will unlock the doors to healthy industrial progress.

What do I mean by Service? The application of this idea has three important implications:—

(1) It means that all the members of an industrial organization must serve one another. This can only be done by working together as a team that is striving continually to reach the common goal of the success of the whole organization.

(2) The Organization as a complete and

unified human team of workers must serve all those who have provided the necessary capital for the efficient running of the business—this money taking the form of buildings, plant, equipment, raw materials, work in process of manufacture, etc.—by ensuring that the company's business yields profits enough to pay an adequate rate of interest to them.

(3) The Organization must serve its customers. This is the most important block in the foundation stone of service, because in actual practice I believe it will be found that if SERVICE TO CUSTOMERS is pursued steadily and persistently, the desirable objectives outlined in paragraphs (1) and (2) almost follow as a natural corollary.

A. P. YOUNG, O.B.E., M.I.E.E., M.I.A.E.,
British Thomson-Houston Co., Ltd.

We Secured NATIONAL DISTRIBUTION Without Advertising

By E. L. OGILVY-STUART

Winsome Dairy Products (Proprietors: Joseph Nathan & Co. Ltd.)

This distribution was secured for a new branded food product, the type of product upon which, usually, manufacturers spend large sums to introduce it to wholesalers, retailers and the public. The manner in which the trade distribution was secured without this expense is explained in the article. It might be added, however, that enormous public demand arose the moment the product appeared—again without the inducement of advertising. The secret was, the product fulfilled a real need. There were already about 130 brands of packet cheese being retailed, but none was priced at less than sixpence per unit. To meet the widespread demand for units of package cheese at less than sixpence retailers were compelled to break up standard packages and to sell the contents separately at so much per piece, a troublesome business. Winsome Dairy foresaw the possibilities of this huge small-unit market and introduced a package to meet it—Silver Bud Cheese, selling at 3 portions for twopence. Once in the shops it sold itself.—Ed.

The advent of national Press advertising and the general adoption of bold selling tactics by the employment of a large body of highly-trained salesmen has tended to alter the viewpoint of both wholesale and retail grocers from that of sales to one of mere distributor. Conversely, the fact that national advertising and sales schemes are almost unknown before a new grocery product is stocked with any enthusiasm has led many manufacturers to rely almost entirely upon their own efforts in order to build up a market for their products.

In Winsome Dairy Products, however, launched their new small-unit Silver Bud packet cheese two years ago, they went entirely contrary to what is becoming the modern practice. They secured real national distribution solely through the routine process of the salesman putting the proposition up to the wholesalers. That hard-worked individual, the wholesaler's traveller, actually pioneered the product to the retailer—and the job was done.

This is far more remarkable than might appear at first thought. It goes contrary to to-day's experience with nearly all manufacturers. How is it, then, that Silver Bud cheese was so rapidly taken up by the retailers and equally by the public?

First it was this: Winsome Dairy Products made sure before they launched the new cheese that:—

- (1) The public wanted a high quality cheese at an economical price.
- (2) The traders were conscious of that demand.

- (3) No strictly competing article existed.
- (4) The wholesaler and retailer would work as active salesmen if they knew that fair play would be shown all the way round.

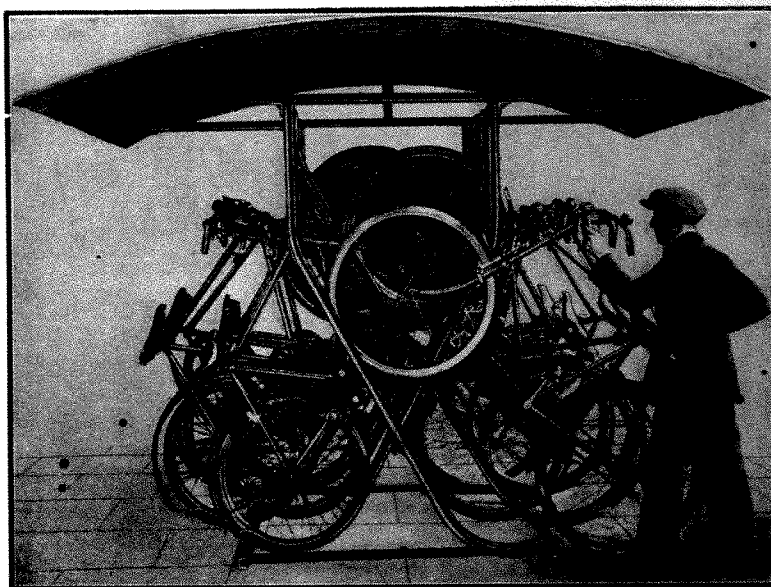
The very fact that there would be no heavy expenditures on advertising and no millstone of a "development account" assisted Winsome Dairy Products to ensure that Silver Bud cheese should be of a quality equal to the best

and at a truly economical price for the consumer. That the economical price was desired, and equally that the retail trade would instantaneously welcome a "3 portions for 2d." cheese, was evidenced by the fact that the then standard 6d. units of half a dozen portions of packet cheese were being opened by retailers who sold the contents at a penny a portion.

Although there were no less than some 130 brands of packet cheese on the market, none was retailed at less than 6d. a box. Silver Bud in its unusual and attractive triangular carton, of which the very shape suggested packet cheese, came out with the novel selling price of "3 portions for 2d." But, even then, the crowded state of the market might have caused the wholesaler to refuse to show enthusiasm. This is where the sales policy behind Silver Bud cheese of absolute fairness to all sections of the trade proved so important.

The growing practice of direct trade between manufacturers and retail grocers was considered, and led to the decision that no customer or potential customer of a wholesaler should ever be supplied direct. At the same time, the retailer was given a product for which a demand already existed that was not properly supplied, and his profits were safeguarded as well. That this policy of fair trading with all parties to the transaction and faith in the selling ability of the bona fide wholesaler was fully justified has been amply demonstrated by the fact that Silver Bud cheese has proved a tremendous success.

To-day, after only two years, at least ten competitors have followed Silver Bud's lead, whilst the Winsome Dairy Products factory, greatly enlarged and still enlarging, is working to capacity to cope with the demand.



The problem of employees' cycles is important to the big industrial concern, yet it is one too often tackled in an unsatisfactory way. Here is a special and inexpensive "park", one of a number of types designed by a firm which specializes in this equipment. The type shown above accommodates 20 cycles in 7 square yards of space. Each cycle can be locked in position by the owner. Machines in the middle can be withdrawn as easily as those at the ends

We Reduced Salesmen's "COST per CALL" By 30 per cent

UNTIL recently it had not occurred to us to look into our selling expenses to the extent of working out (roughly) the cost of each salesman's call.

The last word is in italics as it is very different, in its significance, from the usual practice of working out salesmen's cost per order.

We had something of a shock when we discovered that salesmen in the home counties area were costing us between eighteen and twenty shillings per call.

We did not allege that the salesmen were "loafing on the job" or running up unnecessary expenses, but we came to the conclusion that certainly something should be done to reduce the cost of twenty shillings per call. We decided, therefore, to augment the salesmen's calls by a campaign of direct mail.

This would, of course, cost a certain amount of money, but we estimated that by its effect of keeping the door open for salesmen it would enable them to secure more orders and so reduce the cost of calls by increasing the number

of orders and, similarly, reduce the actual cost per order. We calculated that the saving made in this way would exceed the cost of the direct mail campaign.

In practice, after running the scheme for twelve months, we found that this definitely was so.

Our mail campaign consisted of well laid out brochures, helpful letters to dealers offering them "dealer-helps", drafts of letters to help them in their own local mailing campaigns and advertisement lay-outs for their local papers. We included, too, a series of "pep" letters, sent out at not too frequent intervals, urging dealers to take advantage of special seasons, events, etc., in order to sell more goods.

This more or less continuous fire of postal matter bridged the gap between salesmen's calls. It kept our firm's name before the dealer, and as all our

By
ALAN C. DENNY

matter was aimed, not to worry the dealer, but to help him, the salesmen found that almost everywhere they more easily "got in" and more readily secured an order.

One piece of mailing matter we found was particularly effective. That was a letter intimating that the salesmen would call on a certain day and would have with him certain special samples with a novel appeal. We always tried to work this in somehow to indicate that the salesman was not making a purely routine call.

Even when we had no actually new lines to show we endeavoured to give the old ones a new twist or to offer some little service or other which would make a special occasion of the visit.

Every dealer was thus given the impression that he was being treated individually and not being called on by a mere order collector.

It must not be thought that all this advertising matter in the way of dealer helps and display stuff was extra expense to the direct mail campaign. We were already providing this material. Formerly, however, it had been distributed in a rather haphazard manner. We merely linked it up with the mailing campaign to make the latter more effective.

Our latest results show that, taking all extra expense into consideration, our costs per call have been reduced by an all-round 30 per cent.

The salesmen, too, are more efficient since they appreciate being better fully backed up by head office material.

It May LOOK Old ... but it's Very New

THIS desk might appear to be an old-fashioned roll-top type with a curious cupboard in the side. Actually, however, it has been designed by Mr. Charles Nowell, Chief Librarian of the magnificently equipped library, Manchester, for his own use.

Mr. Nowell organizes his business day from this desk, and controls many thousands of records. The writing surface is large, six feet by three feet six. No telephone stands on it; that is accommodated on a small table to Mr. Nowell's left hand. At the back of the desk, unlike the old-fashioned type, there is no large bank of small drawers. Instead, there are five drawers, each designed to carry cards of a specified size. These constitute the nerve centre of the whole library system. Small items such as pins, paper clips, pencil, eraser, etc., are accommodated in a special recess on the left hand side of



the desk, underneath a small rack designed to hold papers which are not in immediate use but may be required any moment.

The three drawers in the left pedestal of the desk take specific documents such as reports and sheets of statistics, while those on the right are personal letter files. Mr. Nowell prefers to have his letters near him, instead of in a distant file.

Either leaf on the pedestals can carry a typewriter which the librarian uses for notes.

The cupboard on the right is only possible because of the neatly contrived "curtain" of the roll-top. Within this

cupboard is a series of drawers, each bearing the name of an executive. The mail and other matter is sorted into these trays from which it is taken and distributed.

Under the front edge of the desk are three buttons which operate lights outside the door of the librarian's office. Red signifies "do not interrupt"; yellow means "enter only if urgent"; green is "all clear."

For his personal comfort, Mr. Nowell has dispensed with a centre drawer. He says that such a drawer is usually so low that it is uncomfortable, also it entails moving back the chair to use it.

Is your accounting system *sound*!

Promptly comes your answer "Of course it is!" and doubtless you are right - as regards principle.

But surely "sound" means much more than this? Can accounting and recording be called sound that is wasteful of time and labour, that entails expense to you for overtime, that risks losing you customers because of its all too frequent inaccuracy and because of the delay in engenders?

Kalamazoo Systems Dept. offers you help and advice

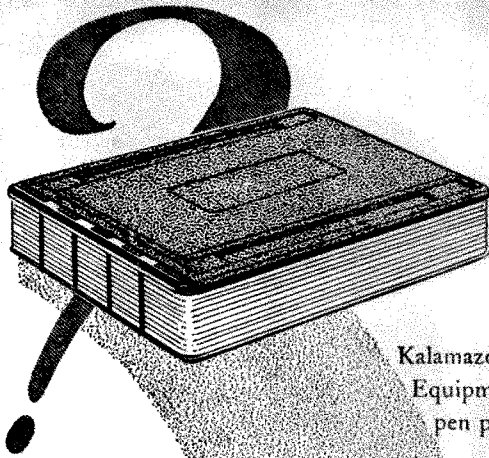
You may be one of the thousands of firms who are quite unaware of the possibilities at this moment existing in their counting-houses of speeding-up, of economising in time and labour, of increasing control and efficiency.

Probably this is because such possibilities have never been pointed out.

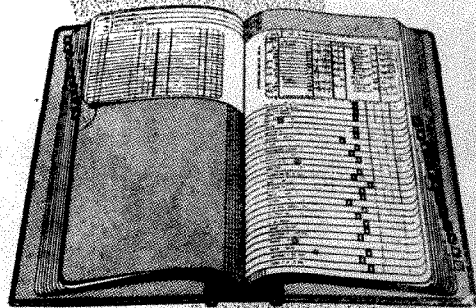
The Kalamazoo Systems Department will indicate to you any such possibilities that may exist and give you subsequent advice and help, all without the least implied obligation. It does not deal with the accounts themselves but with their material arrangement; and it may be that only a slight change in the latter is necessary to produce a surprising result.

For instance, a loose-leaf record may be changed to a "visible" record with enormously increased speed of posting and reference and with the additional advantage of giving absolute control by signal.

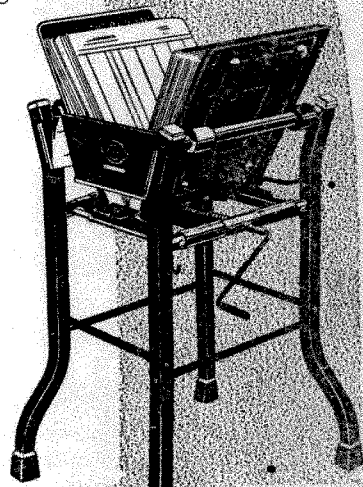
Whether you are satisfied with your present methods or not, why not write us? It may be we can help you.



Kalamazoo
Equipment for
pen posting



Kalamazoo
Equipment
for visible
Recording



Kalamazoo
Equipment
for Machine
Accounting

Kalamazoo Ltd

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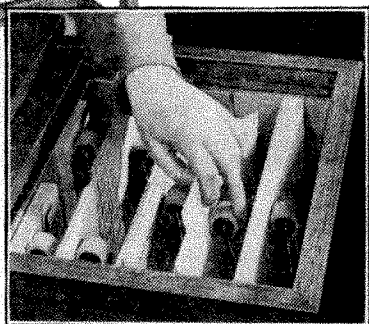
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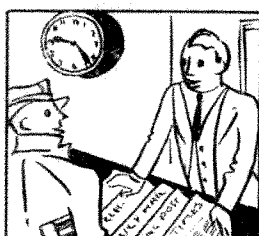
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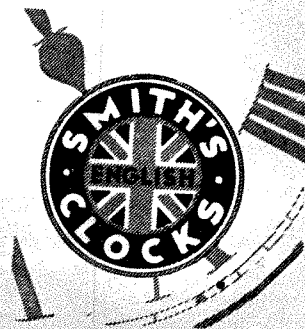


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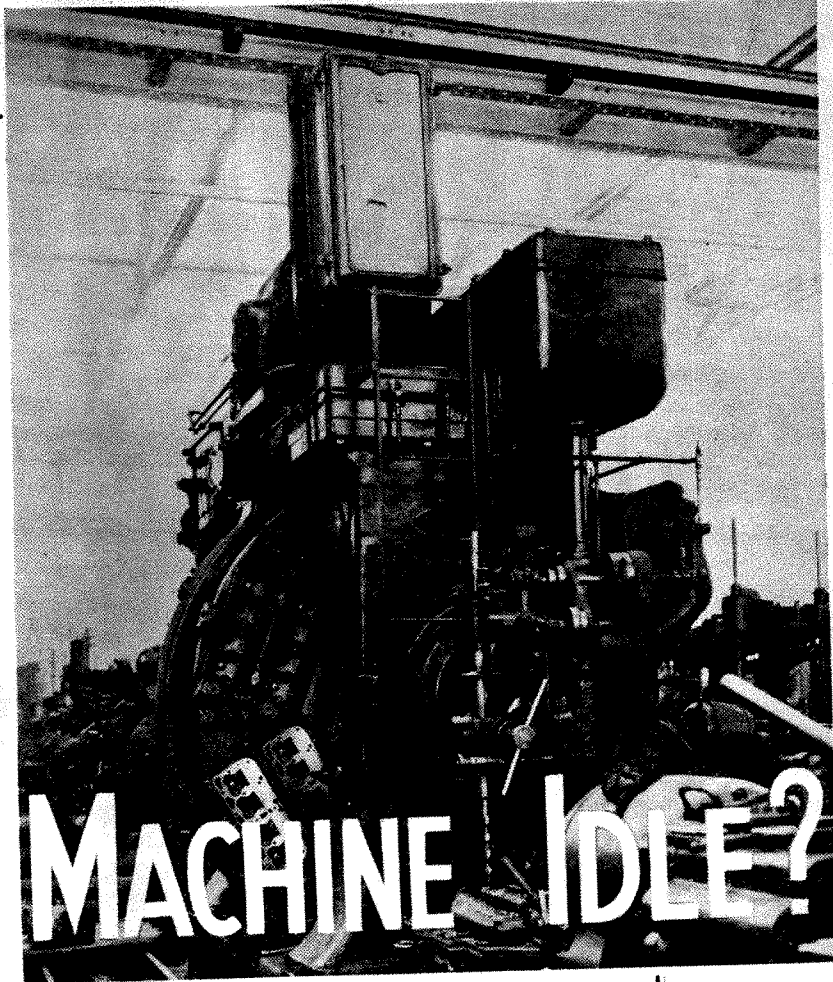
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PLUG IN TO GREENWICH TIME

Scientific



★ These questions will help you to trace the reason for the idle machine. But whatever the reason the keynote is **ACTION, PROMPT and ADEQUATE**, because an idle machine means an hourly loss of profits

cause may be lack of work and this switches the question over to the sales department. Is it more orders that are wanted? What are the salesmen producing? Are they up to their quotas.

It may be that the quality of the goods is not up to standard; perhaps competitors can produce at lower prices; perhaps fresh lines are needed. Instant investigation is called for here.

To investigation of this kind, moreover, the full power of the management must be applied. No mere cursory glance at the market will suffice. If necessary intensive examination by market research experts must be called for. Many astounding facts may be revealed. But the keynote is action, action prompt and adequate.

Machinery idle from any cause means loss of profits. It is a simple matter to estimate the profits arising from each

There are many reasons why a certain part of your plant may be idle. It may be undergoing repair after a breakdown. The repair is necessary, *but*, how long will the machine be out of action?

Does the maintenance department fully realize the need for haste because of the hourly loss of profit caused by the idle machine? Why did it break down? Was it caused by careless use or by faulty construction? Does the man who upset it understand the cost of his carelessness? Do the makers of the machine know that it was badly made? When it has been repaired will it break down again? Is the machine so old that it ought to be scrapped? Are the directors prepared to order a modern one? Do they know by how much a more modern machine would lower costs?

These are a few of the questions to be asked about a disabled machine and each of them calls for an immediate answer if the costs of idleness are to be reduced.

The Trouble may be Local or General

The machine may be still through lack of power. If it is electrically driven by current from outside, do the suppliers know that they are hampering output? If the supply of power is internal, are the dynamos insufficient for the work of the factory? A steam

driven machine may be still because the boilers are overworked. Are steps being taken to increase the efficiency of the steam raising plant? Would a different type of power plant give cheaper and more reliable energy?

Perhaps other departments have failed to send enough work along to keep the machine busy. Does the system of routing the work through the factory demand a thorough overhaul and reorganization? Where are the bottle-necks that cause the stoppage?

The machine may not be working because the man who runs it is away. If he is ill, is he often ill and absent? Does he take time off when he thinks he will? Is he on holiday? Why is there no system of understudies by means of which an absentee can be replaced? Is the department uneconomically understaffed?

It may be that the idleness is not due to any of these reasons, which all come directly under factory control. The

working machine and from this to calculate the cost of those that are still.

All this will have to be accounted for ultimately, as every halfpenny so lost is also shown in the loss on the capital invested in those machines.

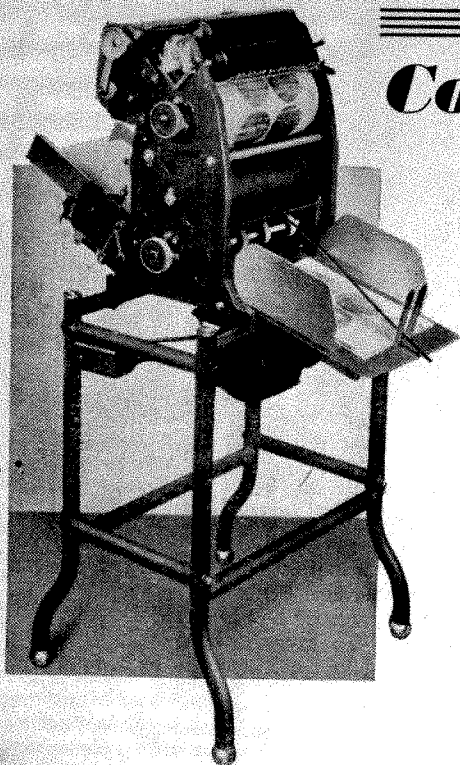
It is here that one of the benefits of a really modern system of production costing can be taken advantage of.

The exact cost of the failure can be dissected and gauged in terms of £ s. d. To know the precise cost of a failure not only enables the management to meet it in the best possible way but it is also a strong incentive to put the trouble right with the minimum of delay.

It is in the small works that this point is particularly important as it is here that extra unproductive costs operate most seriously against profitable working. But it is in the small works, unfortunately, that the costing system often does not permit of this cash appraisal of delays.

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TELEPHONE



Methods and Manners that **SAVE MONEY**

By H. PICKUP

Chairman: Incorporated Sales Managers' Association

Thousands of pounds are wasted every day to firms by the inefficient and un-businesslike methods of their telephone operators.

Many firms do not realize that the telephone girl is one of the most important units in any business. If they did they would not allow customers, prospective clients, and general inquirers to receive the treatment they often do at present at the hands of their operators.

It should be known that the Post Office offers to subscribers renting switchboards facilities for free training of private branch exchange operators.—Ed.

In many cases it is not entirely the fault of the girls, they cannot know all the details of a business without instruction. In my opinion, every business firm should arrange for its telephone girls to get a personal insight into the workings of every department, for on their shoulders rests the responsibility of being the "mouthpiece of the firm".

There are thousands of girls in charge of switchboards who have only the vaguest knowledge of the businesses they represent. Generally all they know is the firm's telephone number and the names of a few executives. As a result callers waste hours while they are "transferred" from Mr. So-and-So to somebody else, before finding a person who can deal with their inquiry.

Inefficient Switchboard Operators are Costly

It is not enough for an operator to have a pleasant voice on the 'phone. She should be trained to use her brains.

And it is not only switchboard operators who are inefficient and costly to their firm by the way in which they use the 'phone. Many senior employees and higher executives could improve themselves a great deal.

Commenting on Mr. Pickup's remarks, Mr. H. E. Powell-Jones, Director of the Telephone Development Association, has said that firms are now really studying their telephone efficiency. This is absolutely necessary, as anyone in charge of a firm's telephones is in

charge of the main artery of the business. In a new booklet, "How to Get the Best Value from your Telephone Service", which the Association has published, are extracted the following points of vital importance to management:

1. Many incoming 'phone calls are the direct outcome of a letter dispatched from your office. It will help your switchboard operator to "filter" calls rapidly and efficiently and save the caller's time if either of the two following expedients are adopted:—

- (a) Every outgoing letter should indicate the 'phone extension number of the person who will deal with any telephone inquiries relating to the subject-matter of the letter.
- (b) The 'phone extension number should be used as part of the "Reference" on every outgoing letter. Thus, as soon as the operator hears "about your letter 23/SVD . . ." she will know at once that the caller should be put through to Mr. S. V. Dickens, whose extension number on her switchboard is 23.

Both the above methods have been successfully tested out in practice and are in no way dependent upon the legibility of the signature on the letter.

★

2. P.B.X. (private branch exchange)

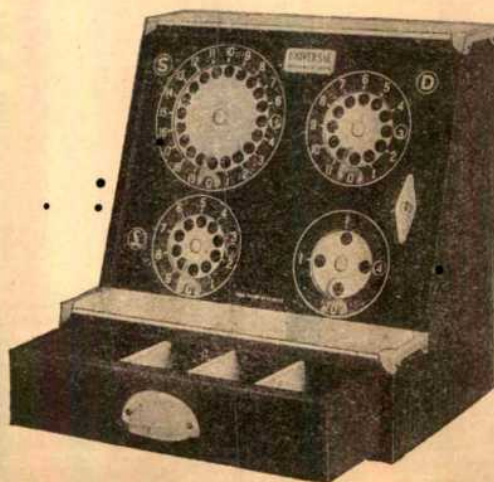
operators and staff should be furnished with a complete list, so displayed as to be visible to the operator without leaving the switchboard, of departments or sections and of the responsible executive employees of each department, with their respective 'phone extension number. Changes in personnel should be promptly notified to the P.B.X. operator.

★

3. In big firms, to cater for unusual inquiries, i.e., those which cannot be put through to the appropriate extension by the exercise of the operator's common sense or through the quotation of a reference, the P.B.X. operator should be supplied with a special, or "emergency", name and extension number. This officer, who should be specially selected for experience, tact and discretion, should always be available at his desk during normal hours to deal personally in the first instance with all such inquiries.

★

4. All incoming external calls should be answered, by the operator, by at once announcing the name of the Company. Nothing more is required. Anything more wastes your time, the caller's time and the time of the telephone system as a whole. Operators should address an individual by his (or



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This British cash register is constructed on a new principle and is designed to meet the demand for a really low priced efficient machine. Registration is made by dialling. The total adder records up to £100. Total of transactions are visible at a glance, but can be kept secret at will. Record cards are provided for daily totals, accounts received, and paid out

her) name as soon as they know it.

★

5. When the operator receives an inquiry which cannot self-evidently be switched to an appropriate extension, fairly full details of the nature of the inquiry will probably be volunteered by, or can be elicited from, the caller.

This information should be repeated by the operator to the individual selected by her *before* switching the call through: this ensures (a) that the individual selected can in fact deal satisfactorily with the inquiry, and (b) that the caller is saved the necessity of repeating the details of the inquiry.

★

6. The correct, and the only correct, answer to a telephone bell ringing is:—

(a) on a direct Exchange line: The name of your firm.

(b) on an extension line: Your own name.

"Hello" is unnecessary, time-wasting and obsolete. "Are you there?" is vapid, meaningless, and utterly ridiculous.

★

7. Whatever type of telephone you are using, it should be remembered that a pipe or cigarette in the mouth does *not* aid clear transmission of speech. Don't be snappy in a vain effort to suggest business efficiency. There is a big gulf between curtness and courtesy.

★

8. The proper place for your 'phone is on the left-hand side of your desk, within easy reach and clear of papers. Apart from a few exceptional cases, the receiver should be placed to the left ear, not only because most of us can hear better on the left side, but also because this position leaves the right hand free to write data, turn over papers, etc. Any telephone so placed as to necessitate the constant use of both hands, or straining the body, is badly placed and should be moved.

★

9. Don't ask the operator or your secretary to get you through to So-and-So, and then keep him waiting. This is one of the worst faults in telephone practice and is much too prevalent. It is, of course, largely a matter of discrimination and of the relative status as between caller and called. Thus no absolute hard and fast rule can be laid down: it is a question of good manners and of good business policy.

A 'phone call is a substitute for a personal visit, and when you call in person, if there is any waiting to be done, it is done by *you*, not by the person on whom you are calling.

10. On receipt of a request, via P.B.X., to call up a person or firm, don't unduly postpone the fulfilment of the promise implied by your P.B.X. operator, who is *one of the essential units in your organization*.

★

11. Whenever you have to be out of your office, let P.B.X. operator, or your secretary, or assistant, know where you can be reached or when you expect to be back.

The close of a telephone conversation is almost as important as its start, and probably more difficult. An unnecessarily abrupt ending can leave the wrong impression: so can a lengthy interchange of unimportant trivialities.

As a broad generalization it is suggested that a telephone call should be ended by the caller on the same lines as a personal call at the office.

★

12. Always remember that, whatever position you occupy in your organization, you are, throughout your business telephone conversation, a direct representative of your Company—yours, in a very real sense, is the "voice of the firm". Your telephone manners, your telephone voice, reflect not only your own personality, but your firm's stan-

dard of courtesy, efficiency and service.

★

13. If you get a wrong number, the apology should come from you. It is not *his* fault that you have got on to his line, intruding upon his time and premises, so to speak, and it *may* be your fault as well as the operator's.

If you are called in error, the intrusion is not wilful and is probably just as disconcerting to the caller as to you. You have no need to apologize, as you have done nothing wrong, but if an apology is forthcoming from the other end, a soft answer in acceptance not only turns away wrath but secures goodwill.

★

14. Trunk calls cost money, your Company's money. On this account alone they deserve special attention.

★

15. Don't leave your office after putting in a trunk call until it has matured or been cancelled, and *don't keep the line waiting*. Trunk calls are paid for by time as well as by distance; one of the many advantages of the Inland Trunk "person to person" call is that payment only begins to run from the moment at which the two parties begin their conversation.

Copies of the complete booklet may be had, free, from The Telephone Development Service.

This Plan RAISES TYPING OUTPUT and REDUCES COSTS



★

Overtime at peak seasons was a heavy item in the overhead costs total. This simple method banished it and improved the standard and volume of work

By
T. W. PAYNE

While the introduction of mechanical appliances and methods is undoubtedly the chief means by which a saving of costs can be made in the office, there are, of course, other ways in which work can be tightened up and results improved.

In most offices, whether large or small, I can say from my own experience that there are definitely ways and means of improving output which do not involve any cost whatever for new or extra equipment.

I have yet to find the office in which some small reorganization of detail



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The drawers, which are cleanly dovetailed, all lock, and the hinged extension is as firm as the main top. The desk is ideal for typists, clerks, schools, or for home study. The chairs are suitable for private homes, offices, etc., and upholstered in good leatherette, and polished dark or light solid oak. The desks are in lustrous brown oak, but we can polish them any shade for 2/6 extra.

We send them both on 7 DAYS' FREE TRIAL to any approved customer.

So ACT NOW!

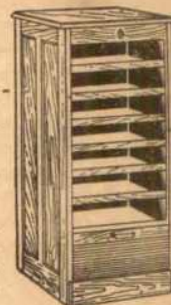
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39/6

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Tel.: Holborn 7391-5

would fail to lower the working costs. And, again speaking personally, I must say that it seems to be the smaller offices, the offices which would most benefit by a lowering of costs, which do not seem to search keenly enough for these ways and means.

Take, for instance, a mail order house which I visited recently. It was quite a small concern, though a busy one.

Five years ago this firm was advised of a way to reduce its costs, yet it was only twelve months ago that the firm decided to try out the idea. The result to date is that a saving of something over £200 has been made in overtime costs.

Most businesses have seasonal peaks, and this firm is now proving to what extent the staff can be encouraged to extra efforts and costs cut down by the simple incentive of a "growth of output" chart.

In following such a plan this concern groups direct workers with those who contribute indirectly. For example, the filing and post departments are formed into a group with the shorthand-typists for the purpose of measuring the number of letters put out.

As a group, extra effort is obtained from it in the following way:

The number of letters put through each day is recorded in the post department and displayed on a weekly record sheet. At the end of each week a main chart is built up, showing:

1. Weekly average number of letters produced per shorthand-typist.
2. Number of assistants engaged in producing the letters, including filing and post departments.
3. Average cost per letter, excluding materials, stamps, and dictator's time. This is calculated by dividing total salaries by total letters for the week.

As the season advances the staff becomes very keen on the chart. Section heads enter into the spirit and avoid any delays which might affect the chart adversely.

Enables Letters to Catch Earlier Post Collections

In previous years, when peak times were reached, outside help had been engaged; but under the present arrangement this is not being done, a bonus being offered to the staff instead.

This makes it possible to eliminate entirely the payments for extra staff and for overtime. It also defeats the practice adopted by some workers to "go slow" during regular hours so as to make extra money on overtime.

It means, also, that the whole staff stays until each day's work is done, even to giving a hand with the final clearing of the post. The work is better done, provincial letters catch the country post and local letters are posted in time for first delivery next morning.

The scheme is proving very successful, and in addition to benefits to both firm and staff the chart has shown to the management an item in overhead

costs that they did not appreciate before: *that the stamp is by no means the biggest cost of a letter.*

I think it would pay any firm which has a fair volume of correspondence to check up and find out as nearly as possible what the total cost of a single letter amounts to. Due to some of the

factors being rather elusive it is by no means easy to determine an exact cost. An approximation can, however, be arrived at, and I am certain that many executives would be astonished at the high figure it reaches. It would be a clear indication that costs must be reduced, somewhere.

The New BUSINESS REPLY WIRES will help your CUSTOMERS

By
R. F. ENGLISH

★ Without pre-payment for transmission you can supply your customers with these telegraph forms for urgent ordering. Cost of wires used are charged by the Post Office to your account

The Post Office has introduced yet another asset to the business man.

The Business Reply Telegram which enables him to serve his customers more speedily, directly and satisfactorily at a minimum cost.

The system is one whereby telegram forms can be circulated by post to your customers who, when they desire to order urgently, can use the form *without payment*. The charges on such telegrams are entered on the telegram account of the circulating firm. This differs from the ordinary telegram which has to be paid for in advance, and consequently relieves the firm of having to place stamps on all telegrams circulated as was the former custom.

The Business Reply Telegram will impress your clients with the importance of your communications and the businesslike way in which you deal with them.

If you wish to introduce the new system to your business you can do so by opening a telegram account (if you do not already possess one), and registering as a user of the Business Reply Telegram. Registration costs £2 per annum, payable in advance.

Special forms are supplied costing 2/6 per 1,000 or £1 1s. per 10,000. It is necessary to insert, preferably in printing, your name and address in the appropriate space provided, and also

the code which is given on registration; the latest date for the handing in of the telegram; and the maximum amount you are prepared to pay for the telegram.

If the telegram is shorter than you anticipated you will only be charged for the actual cost of the telegram, but if the charge comes to more than you have specified, then the sender is charged for all excess, e.g., supposing you have inserted the minimum amount of 1/- and the telegram when handed in contained 18 words, the sender would be required to pay the excess fee of 6d. If you had inserted 1/6 and the telegram only contained 12 words, then you would be charged 1/-.

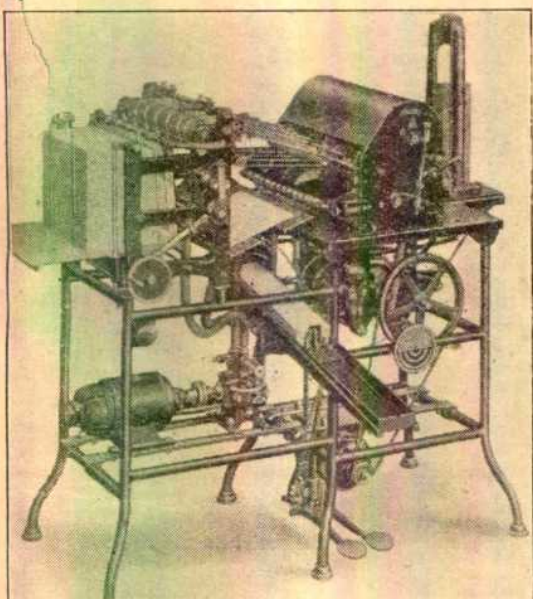
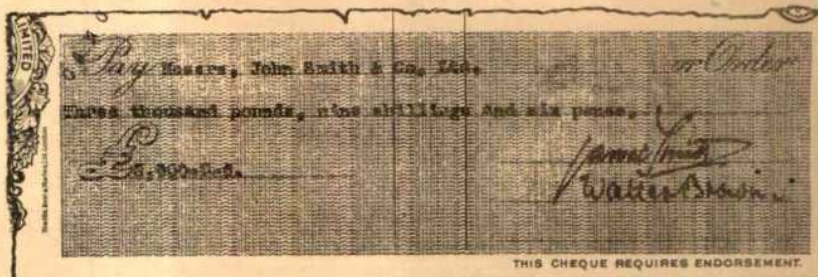
The telegrams are to be dated for a period not exceeding three months, when they will become invalid. The back of the form has been left blank in order that an advertisement can be placed on the form.

The system has been inaugurated entirely in the interest of the business man, and if he has a fairly large distribution of telegram forms, or has a number of customers who are likely to require to order goods at a minute's notice, he would be wise to register as a user.

A brochure has been printed by the Post Office and can be obtained on enquiry at any P.O. counter.

Among The Latest In . . . BUSINESS EQUIPMENT

Right: A small sheet of special fabric inserted in the ordinary way behind a cheque or other document enables the typist to cut indelibly into the cheque any written matter required, thus making it forgery-proof. Note that this simple and inexpensive method cuts not only the amount, but the date and payee's name as well. Full length letters or any other documents can also just as easily be indelibly recorded in this way



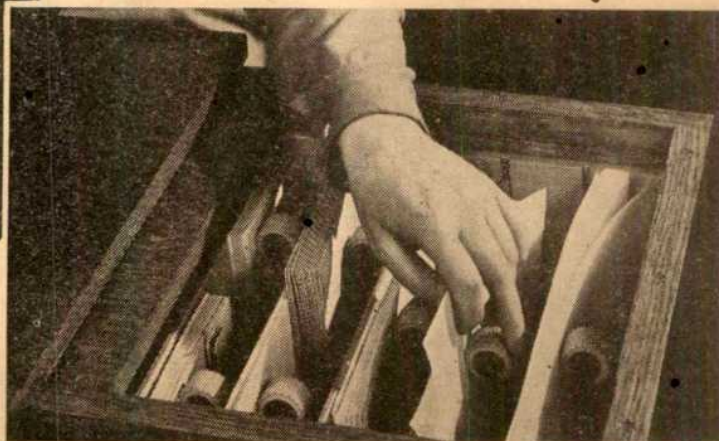
Left: This is a union of the modern electric addressing machine and a high-efficiency duplicating apparatus constructed on a new principle. Blank letter heads are fed into the machine and emerge as complete letters, each individually addressed, dated and signed, ready for posting. The letterheads themselves can, if required, also be printed at the same time. The setting of the letters involves no stencil making or typesetting. Output of completed letters is 2,500 per hour



Right: Many products, in manufacture and storage, are affected by the degree of humidity in the atmosphere. This instrument indicates the humidity as accurately as a thermometer indicates temperature. Apart from use in factories this instrument is as valuable in offices, especially where large heating units are employed. The point where the air becomes heat dried beyond healthy requirements can at once be seen, and remedied



Below: Here is a new development to aid typing efficiency. The special cabinet to the typist's left hand keeps stationery immaculate. By lightly touching one of the rubber rollers with the middle finger the desired sheet of paper or envelope is delivered between index finger and thumb. Stationery does not become dog-eared at the corners, thus waste by damage is eliminated. The paper carriers are readily adjustable by turning a thumb screw to take any standard size of stationery. The sliding shelf which covers the stationery cabinet forms an extra table when the desk is in use and protects the stationery when it is closed. As a separate fitting it can be attached to any desk or table



How Adding-Accounting Machines Each Year **SAVE** Double Their Cost

By C. H. COSTELLO, A.C.I.S., A.C.W.A.

In an Interview with

GODFREY DAVIS

Director: Godfrey Davis Ltd.

"Immediately we installed two simple adding-accounting machines to handle our ledger posting and accounting control work, we cut our audit fees by £100 a year, and at the same time began to effect the further saving in wages of a like amount which we have since realized each year for the last four years.

"This saving, incidentally, was not our main objective at the time. We were more concerned with accuracy and up-to-dateness in our customers' accounts—both of which objects, I may say, have been achieved to the full."

One could hardly find a more striking example of all-round gain in efficiency and cost-saving attained, not by putting in elaborate and expensive machinery requiring, perhaps, an entire change of routine, but simply by substituting the adding-accounting machine in almost its simplest form for hand methods of working.

Let us contrast the old and new methods to show not only how little change in methods is necessary, but also to illustrate how general is the application to the progressive, medium-sized business.

These are the Details of the Business

The business under review is that of motor hiring (in all its grades from the small ten horse-power "drive yourself" car to the expensive chauffeur-driven limousine) "the modern method of motoring" by which the customer obtains the best service for modest expenditure.

Three-quarters of the business is on a cash basis, requiring close control to give economy to the customer and profit to the firm. The credit part of the

business is with individuals and firms of consequence is, of course, no less important.

Looking back four years, we find the firm at the stage of having for hire some 80 cars, for all of which records had to be kept. The control system consisted of large cards upon which was recorded the mileage run by each car under each hiring contract, with an analysis of expenses under thirty or forty heads, all calculated to three places of decimals. The aggregate results were summarized to show the financial position day by day, but, as will be appreciated, the volume of work by hand methods was so vast that these daily statements could never readily be got out in time to be available the following morning.

Expanding business made it imperative to adopt some other basis of control and this was found by grouping under twelve heads by classes of car and of hire contract. At the same time, the recording of expenses was made a separate operation.

In those days, one male clerk was employed for his full time on ledger posting and a second about half his time on the above analysis—the aggregate

wage bill being about £5 a week for these two operations.

It was the practice then, as now, to show on each customer's hire invoice the amount already due by him or standing to his credit, as the case might be, with, added or subtracted, the charge for the current hire transaction. The book-keeper had therefore to refer in all credit transactions to the ledger and to extract the current balance to be shown in the invoice. However carefully this work was carried out, there were occasionally errors which not only detracted from the goodwill of the firm with the customer, but also caused loss of time when reconciling the books whilst the error was being traced.

The Book-Keeping Errors were Cut Out

It was to overcome this particular difficulty that adding-accounting machines were installed.

The type of machine chosen features a simple and efficient 12-key keyboard upon which "touch" operation can as easily be acquired as on a typewriter, thus ensuring the maximum output of figure work with a minimum of effort.



This new electrically operated miniature bookkeeping machine enables the smallest businesses to obtain the advantages of mechanical accounting. It is light, portable and occupies very little space on a desk. With this machine the books can be completely balanced every day, thus giving the proprietor a daily bird's eye view of the activities of his business as a whole—enabling him to know his exact financial position at any time. The machine is simple to operate and affords complete control at a very reasonable cost

Figures are "written" on the keyboard much as figures are written with pencil on paper—the machine automatically selecting the correct columns. Direct subtraction is just as simple to operate as addition, and all totals are automatically obtained when required. The machine also shows automatically when taking out a balance, by printing in different colours, whether the result is a debit or credit to the customer. It has a typewriter platen round which the sheets or ledger cards are fed, and the usual inked ribbon for recording.

Simultaneously with the adoption of this machine, a card ledger system was installed to provide not only a readily accessible source of the balance of account figures to be shown on the invoices, but to facilitate posting operations.

Easy to Change to the Machine System

It will thus be seen that the changes necessary were only of means and not of methods, i.e. the substitution of ledger cards for an ordinary bound ledger. At the same time girl operators took over the work.

With the aid of the machine it has become a simple matter as transactions arise to extract the ledger cards for posting, and they are now kept in balance continuously. There is now also an automatic machine check on each invoice. The "old balance" is picked up from the ledger card and recorded in the machine; then the new charge is posted and the new balance thrown up and recorded. This is compared with the total on the copy invoice, which was obtained, of course, independently, since it was prepared at the counter, and thus any error on the original handed to the customer is at once detected.

The total of the old balances subtracted from that of the new provides a control figure which is verified by a straight cast, made separately, of the current items posted.

It will be clear that not only is each ledger card account in balance to date, but the day's postings are checked as made, and no error can be accumulated or carried forward.

The system of recording the hire transactions, instead of mileage, speeds up the preparation of the daily financial statements which are derived from summary schedules also prepared on the machine.

Financial Position Shown at Close of Each Day

The copy invoices again form the basis for this operation, and an average of 80 invoices are analysed within an hour of the close of the day's business to give the full financial results of that day's operations for presentation on the morrow.

The full capacity of the machine is utilized to give under various heads the sources of revenue, one line for each

(Continued on next page)



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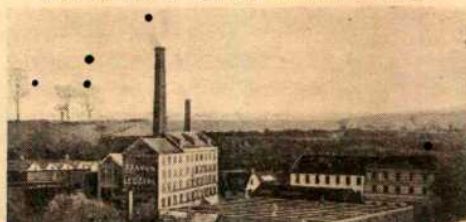
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Can you remember the last time you saw a horse-bus? A good long time ago isn't it? Yet when you walk through your accounting department, does it strike you that the methods used there might be out of date?

Any number of offices still rely on the manual system of accounting. There's a wild rush at the end of the month to get the ledger accounts up-to-date; clerks work overtime; mistakes occur through hasty calculating. Statements go out late—money naturally comes in late.

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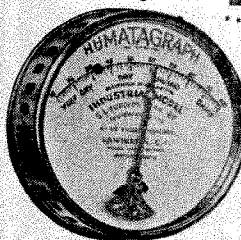
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(Continued from page 29)

invoice, segregating into six groups under "Drive Yourself" and so under "Chauffeur Driven" contracts, the amounts realized, divided again into Ordinary, Contract and Evening.

A second machine is used to prepare a 10-column analysis of purchases, under the heads, petrol, oil, accessories, tyres, etc., this work with the aid of the machine taking about 50 per cent of operating time. For the remaining 50 per cent, it is found useful for miscellaneous casting.

Has Enabled Auditors' Costs to be Reduced

Perhaps the outstanding feature of the machine system is the saving in audit fees. Whereas before, the correctness of each individual ledger posting had to be verified by the auditors—a task requiring almost continuous attendance on their part—by reason of the accuracy of the computations and the fact that a control account ensures correct posting, their work now has been reduced to the extent represented by fees of £100 a year.

Next we find that the firm has now 230 cars for hire against 80 four years ago, that is to say the potential volume of business has been trebled. And the increase in office work in connection therewith is estimated at 100 per cent. Yet the accounts personnel costs the firm about £2 a week less in wages than under the old system, thus showing a further £100 a year saving.

Added to this, all ledger accounts are kept in balance so that no error in charging can go undetected.

Control, despite the increased volume, is tightened up, for each morning the preceding day's figures are available, fully analysed, together with those for the preceding month and year for comparison.

The analysis of hirings by type of car enable a close check to be kept on the relative popularity of each, so that the constitution of the hire fleet may be varied to meet the maximum demand.

Translated into general terms, the usual three objections to machine methods—reorganization is necessary; unemployment is caused; the machines are too expensive—are well answered in this typical instance of the simplest application of the adding machine. At inception, no unnatural strain was placed on the existing organization; normal expansion took care of re-arranged personnel; and the annual saving is more than twice the original outlay.

The model factory of Messrs. Joseph Lingford & Sons, concerning which firm an article appeared in the April issue of BUSINESS, is situated at Bishop Auckland, Co. Durham. It is, as far as we know, unique in that anyone, whether a member of the public or a manufacturer of similar products (Baking Powder, Sparkling Iodized Liver Salt, etc.), is invited to visit the factory and tour it at any time.—ED.

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All things are relative. You can instal the very best Kardex system, complete down to the last detail for the sum of sixpence per record title. *According to our oldest user you have to pay out this sum once every fifteen years!*

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These are not excessive sums to pay for planned efficiency. There are cheaper forms of equipment, but there is no cheaper system than Kardex on the market because, in the final show-down, business folk judge values by yields.

Just a few words about experts. We are all experts in our own particular field. An architect for a building, an engineer for a bridge, a physician for an ailment; these people have specialized, they promote confidence—they know their job. Quite naturally when business folk think about record planning they send for Kardex—we also know our job.

To be in business to-day is to have a problem—share it with us. Write the bare outline and mail it this evening. All services are rendered without cost or obligation. Quote Ref. B.5.

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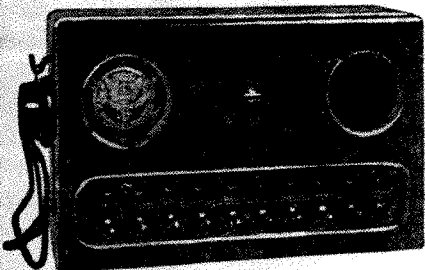
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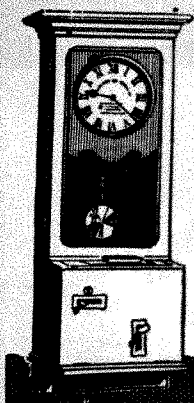
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(Continued from page 8)

failure to read the instructions, are not able to get the best use out of the product they have bought, and who thereupon abandon it and adversely criticize it to their friends.

List of Registered Users has Several Uses

In addition to thus pleasing customers by a display of personal interest and by helping them in any difficulty, this system of registering users also provides the company with a valuable list for mailing particulars of new products, accessories, seasonal gifts, etc., as they become available from time to time.

Reverting for a moment to the service and repair department: Every fault for which razors are treated is set down in fullest detail and catalogued. Periodically this is examined, and if it appears that any particular fault occurs frequently, the entire design and manufacturing process connected with it is examined with a view to its correction or alteration. The catalogue, in fact, provides the company with a mass of basic information.

Repairs to customers' razors cannot always be executed free. Formerly it was the company's practice to send the customer a pro-forma invoice for the amount. But here again the method has been revised to remove any jar to customers' sensibilities.

No pro-formas are now sent; simply an account, enclosed with the razor when it is returned.

Customers appreciate this unreserved assumption of their honesty, and figures show that 98 per cent pay; the remaining 2 per cent is written off the books every six months.

Getting the Daily Bird's Eye View of Progress

All these departmental policies have been developed and are personally supervised by Mr. Kingham, who keeps constantly in touch with every department by means of a daily report prepared and handed him by each executive concerned.

In addition to this close contact, Mr. Kingham obtains a bird's-eye view of the firm's activities from still another angle.

He sees daily every letter which comes into and goes out of the organization. Every afternoon the complete day's correspondence is put before him. Often, of course, he cannot read every letter and its reply. Knowledge of the fact, however, that out-going as well as in-coming correspondence goes daily to the managing director, makes all executives take particular care with their letters. In this way, too, the managing director keeps informed of every movement of each department.

The wider movements of the company he keeps in touch with by means of a complete analysis of costs and revenue, which are put constantly before him by the cost accountant.

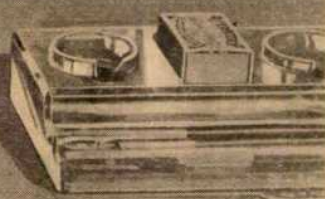
These analyses are handwritten in special books which are kept always (Continued on page 36)

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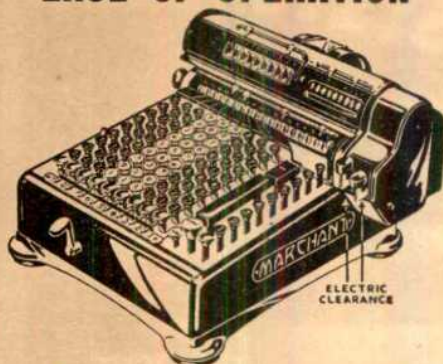
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CONFERENCES . . .



By **R. C. WHITNEY**
Managing Director :
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We Keep Them SHORT But Make Them USEFUL

An article which appeared in **BUSINESS** recently, on how to get the best results from conferences, seems to call for some comment.

As businesses expand and combine together, forming huge organizations, the conference habit tends to develop. It is a tendency which should be strictly controlled. The ease with which a decision can be waived until it is brought up at the next conference is a trap to be avoided.

In my own business we have always made it a point to decide *what a conference is for*. The result has been that, many a time, an important matter has been settled in fifteen minutes by an informal meeting of the few executives concerned instead of that same point being kept open for several days, awaiting the next conference which may occupy an hour or more.

This practice, moreover, of first deciding what a conference is for can also decide the nature of a conference.

For example, a meeting to decide sales activities and at which a happy, free and easy spirit of goodwill should exist, will be wellnigh killed if it is included in the agenda of a formal conference about finance and high policy.

In our company we have always devised our conferences to suit the occasion. Our monthly conference of departmental heads, presided over by the managing director, is held in a large office which is particularly well furnished. We avoid holding it in the board-room in order to remove some of the stiff formality of that apartment.

We also hold a periodical staff conference. This is held in the canteen, with refreshments served. Still less formality here. Both plans put the participants in easy and comfortable circumstances and allow the meetings to produce their best results.

These two Conferences have Quite Different Effects

A good example of the different ways in which conferences should be held is illustrated by the financial and sales conferences of another company. The financial conference is held twice monthly, one on the first of the month to view the

financial situation a month back and a month forward; the second on the 15th of the month when the monthly accounts from the preceding month are ready and can be reviewed. These conferences work on a permanently set out agenda, are formal, cold, without frills, definite as to decisions.

The same firm holds a weekly sales conference on entirely different lines. This meets at a nearby restaurant on Saturday noon over a luncheon paid for by the firm, with the managing director presiding. The meeting starts socially, the week's work is over, the salesmen have come in from their grounds, the tension is relaxed. An atmosphere of camaraderie and goodwill is aimed at between the salesmen on the one hand and the sales-managers and works executives on the other. The week's sales developments are discussed, co-operation between the factory and the selling side is reviewed, new policies and methods laid out. This is not a conference so much for decisions as for creating goodwill, and no formal office conference accomplishes the latter so well as does a luncheon conference.

Secures Co-operation between "Difficult" Departments

In the publishing business there is an opportunity for co-operation between the editorial, sales and advertisement departments, and this co-operation is often difficult to secure. One publishing house accomplishes it by a regular weekly luncheon meeting of the heads of all three departments. The managing director's secretary keeps the agenda. Any member of the conference can send in any item to be put on the agenda, but the raising of a point at the meeting which has not been put on the agenda is frowned upon because it makes confusion and delay. Notes are kept on the basis of the agenda, and these notes form the basis for making up the succeeding week's agenda.

This conference takes no responsibility for getting work done. Every department is still definitely responsible for its own work, so if the conference is dropped for one week or even for a period, executive work must not suffer. In other words, no executive is permitted to give the excuse: "I understood that the conference was going to do so and so." He can say: "I understood it was decided that Mr. So-and-so was to do this or that"—in which case the responsibility is up to Mr. So-and-so, and not up to the conference. This is a small point, but it is an import-



WHAT I would do

a new hat of similar quality, his old one will be cleaned and reblocked free of charge." I might be without the facilities for carrying out this service myself, but there would be no difficulty in contracting for it to be done. Such an offer would convert casual purchasers into regular customers.

If I were A SALES MANAGER

I would ask the members of that force to write any complaints which they may wish to make in duplicating ink. I could then send duplicates of the complaints to the persons responsible for their correction. Coming in the salesman's own handwriting, these would have the force of personal complaints, while on the other hand the salesman would realize that the request to write in duplicating ink meant that the complaint must be a real one, and it would act on him with the same restraining effect which most people experience in writing for publication.

If I were A TAILOR

I would put a packet of book-matches in the match pocket of every suit I sold. Nine times out of ten a man forgets to put matches in his pocket when he wears a suit for the first time, and he would be pleased to find that I had foreseen this. It is quite probable that he would be with one or more of his friends when he used the matches, in which case I should secure valuable publicity. In any case, I should ensure that the owner of the suit would remember me kindly for a long time, and visit my shop again.

If I were A PAINTER

I would offer the owner of the most weather-beaten house in each street an extremely low price for renovation. By taking photographs before and after the job was done I should have material for an aggressive sales campaign against the other householders in the streets. It would be carefully suggested to the next-door neighbour that his house showed up badly by the side of the newly-painted one, and naming a competitive price at the opportune moment, I should probably get the order. The ultimate result would be that I should get orders from several other householders in the street.

If I sold HATS.

I would try to make a regular customer of every person who bought a hat of good quality and price. I would fix firmly into the inner band of the hat a ticket bearing the notice: "If the purchaser will return this hat to the shop within six months of . . . (the date of purchase) and purchase

If I owned a 'FACTORY-IN-THE-FIELDS'

I would take steps to have its whereabouts clearly shown by a small map on the flaps of the envelopes and on the letter-paper that I used. Most factories of this sort are in the heart of freshly developing country or in the outer suburbs of towns where roads are often still under construction and buildings difficult to locate. Visitors to such factories often spend much valuable time in finding the place, and although the factory may be a model of what a factory should be, time wasted causes tempers to fray. Another aid to the "explorer" would be a series of signposts on roads in the neighbourhood of the factory. They need not be unsightly; they would show visitors that I was anxious for their convenience besides acting as advertisements to be seen by every passer-by.

The Customer Says

Some time ago I went to a grocery shop for half a pound of eightpenny cheese. "One ounce over," said the shopman; "fivepence."

After a heated argument, in which the manager joined, I tried to point out I was paying at the rate of 1s. 4d. per pound for the extra ounce.

I demanded to see the piece weighed and the weights used. I then found that only a half-ounce weight was used, which meant 2s. 8d. per pound was being asked for the little over. My family now avoids this shop.—*Manchester.*

More than once I have shunned shops because the manager has exposed his assistants to ridicule by fault-finding in the presence of a customer. It makes me blush in anger, and I never return.—*Southport.*

I definitely avoid an assistant (and there are many who offend in this way) who allows a personal element to enter into the sale of goods by stating that she, personally, wears or uses the same article, thereby inferring that if it is good enough for her, then it must necessarily be good enough for me.

A saleswoman should sell an article on its own merit, and let the prospective buyer be the final judge.—*Colindale, N.W.*

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HOW PORTABLE MOVIES CAN ASSIST YOUR SALES CAMPAIGNS

By S. HARLAND

Even to-day, with the enormous extension of the cinema in the world of entertainment, the possibility of its miniature equivalent, the portable movie projector, is still much underestimated by business men as an influential sales aid.

The potentialities of these little machines for the projection of silent and talkie films are vast. They give a prospective buyer, in the privacy and comfort of his own office, demonstrations of complete technical processes, also demonstrations of products whose size and nature prevent the buyer's seeing them without a visit to the manufacturer's works. What is very important, too, the portable movie projector can put before the buyer demonstrations of products, not under showroom conditions but under actual working conditions.

For example, mechanical conveyor systems can be demonstrated in a showroom, if the prospect can be persuaded to make the necessary visit. But even then such a demonstration is still a "showroom" display, and many business men still hold to the view that "anything can be done in a showroom". Contrast this condition, however, with that of the salesman who can approach his prospect and, without asking the latter to exert himself so much as to rise from his chair, can show the complete conveyor system in use under actual working conditions in three or four nationally-known factories.

On a screen placed on the prospect's desk, without necessarily darkening the office, the portable projector can show to the prospect in fifteen minutes information which it

would otherwise take him days to gather. He can see the product working under practical conditions; he can see close-ups of the technical details, and he has the salesman present to explain any point which he needs elucidating.

Thus, salesmen handling light railways, river or marine craft, cranes or loading devices, heavy engineering apparatus, road construction material, cross-country transport vehicles, fire-fighting appliances, complicated office machinery, automatic machinery of all kinds, can literally give complete demonstrations to the prospective buyer in the latter's own office. This is particularly valuable for salesmen in overseas territories where distance from the manufacturer and the impossibility of inspecting samples is a still greater obstacle to the prospective buyer.

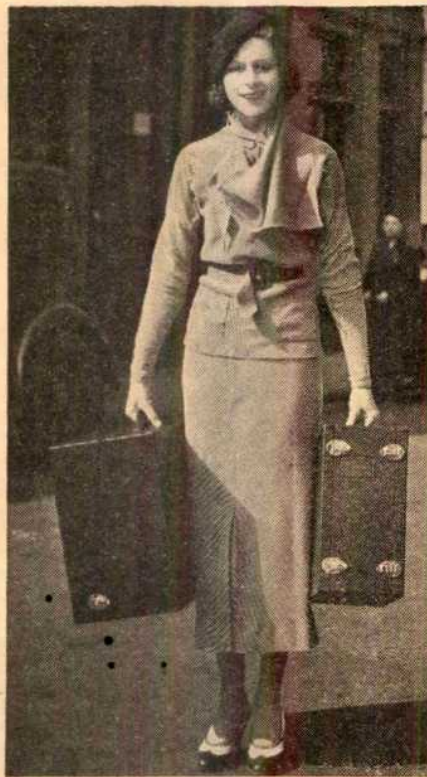
The fields mentioned above, of course, important as they are, are yet only a

slight indication of what the portable silent cine-projector can embrace.

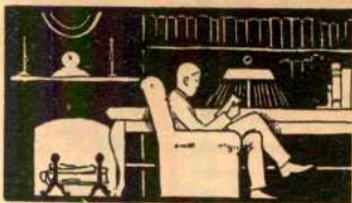
A well-known landscape gardener has profitably substituted the portable projector for the old-time catalogue when negotiating with important clients. Other firms are using the same means for training salesmen in the standard methods of sales routine. Still others use the film to demonstrate to employees the correct assembly of scientific apparatus. Even retail stores use it to instruct assistants in department and store practice affecting customers.

This short article does not refer in any way to "big" films, photographed by standard cameras and produced on standard-size films for public exhibition. That is an entirely separate field of selling.

(Contd. on page 40)



Portable projection apparatus for 16 mm. sound films is no longer too bulky or heavy to be handled easily. Accommodated in these two cases a complete outfit can be taken anywhere. It is not even dependent upon an electric main, for when no main supply is available current from batteries can be used



NEW BOOKS For The Business Man

Standard English, Structure and Style, by Edward H. Grout, B.Sc., A.C.I.I., F.R.Econ.S. (Pitmans, 7s. 6d.).

The author of this book is a recognized authority on English and a regular contributor to the educational Press on the subject. It has been developed on a new plan by which much cross-reference has been eliminated, resulting in the saving of valuable time and in a clearer grasp of the principles. We have not seen any other work which covers an equal amount of ground in as interesting, simple, and easily-remembered a manner.

Briefly, this work comprises an exhaustive explanation of the functions of words, the influences that affect their form and meaning, and their use in sentences, phrases, and idiom, including special consideration of pronunciation, tone, and stress. Chapters are devoted to punctuation, letter and essay writing, figures of speech and style, each subject being considered from manifold aspects and in full detail.

Précis, analysis, the history of the language, and the changes that befall words are dealt with in separate sections. At the end of each chapter a wide variety of questions will be found, largely selected from public examination papers of all grades.

The book is divided into easy-to-grasp and sure-to-remember stages, so that study progresses along smooth and logical lines that call for the minimum expenditure of effort.

This is an invaluable book for the business man and it is 594 pages for seven-and-six.

Germany's Default, The Economics of Hitlerism, by Paul Einzig (MacMillan & Co., Ltd., 7s. 6d.).

This is the first book in English which examines in detail the economic aspects of National Socialism. Extraordinarily interesting, in view of the author's authority on the subject, is the theory that Germany's policy of economic isolation will lead to an aggressive colonial and naval policy in order to secure raw material which she cannot produce herself. Dr. Einzig also devotes some space to pointing out the harm that Germany has done by compelling her creditors to accept a partial transfer moratorium, which has ruined for a generation Germany's reputation as an honest debtor.

Business Man's Guide to Management, 1934. (Management Library, 23 Bloomsbury Square, W.C.1, 2s. net.)

A business man frequently needs, at short notice, an authoritative book on some phase of business or industry. It may be a work on the legal duties of a Secretary, or the methods of Management,

Budgetary Control, Selling, Mail Order, Works and Office Costing or on some other matter that he needs for quick reference.

Generally, it is not known exactly where such a work can be obtained quickly. It is for this reason that the list of collected business book reviews issued by the Management Library will provide a great service.

Here will be found a précis of all the recent important books relating to the many aspects of Management and Control. They are clearly indexed under subjects.

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The Pace That Kills, by T. C. Foley (Public Affairs News Service, 1s.).

An analysis of speed as a factor in motor accidents which is an interesting contribution to the traffic problem. Mr. Foley covers the ground thoroughly, dealing with speed limits and the way in which accidents can be reduced.

The Mirrors of Wall Street (Putnam).

The anonymous author of this book has, to quote his own words, given the public "a peek under the surface of American banking". A very sandy foundation is revealed. The uninitiated will be amazed to discover how much like bucket shop-keepers are many American bankers. We do not wonder that the author decided to remain anonymous. The financial jiggery-pokery of these men would be Gilbertian were it not fraught with such serious consequences to the small investors whose money they have played with. Moreover, the reader is left with an uneasy suspicion that the cause of the present economic situation in America which is having repercussions all over the world, can be located in the unbridled rapacity of a few well-known American bankers.

International Survey of Social Services (International Labour Office; League of Nations, 19s.).

What is the total population of Australia, Czechoslovakia, India or Yugoslavia? What is the scope of social insurance and assistance in Great Britain, Belgium, Canada, Italy or Japan? These questions are answered in great detail in the 700 pages of the Survey. Although, as it is explained in the introductory chapter, it has been found impossible at the present time to arrive at international comparisons, the report is one that has long been wanted by business men wishing to find out conditions in countries to which they are endeavouring to sell.

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(Continued from page 38)

This is solely an indication of the enormously wide scope of the portable projector taking the small 16 mm. film.

The production of the 16 mm. films themselves, for showing, is both easy and inexpensive. A manufacturer can either engage an outside firm specializing in this type of photography, or he can, himself, with his own small camera and simple lighting equipment, "shoot" anything he requires.

But the 16 mm. film projector has been developed beyond the range of the silent machine. "Talkies" are available, and sales and organization executives in many types of business are rapidly finding that this newest medium more adequately meets their needs.

It should be explained at once, however, that the business man himself, or an amateur, cannot add sound to 16 mm. films. He must either get one of the professional industrial film studios to take his sound film or, alternatively, submit his own silent 16 mm. film to a professional producer who will add the sound, either on the film edge or on separate replaceable discs, according to what system is employed.

It does not cost much to have sound added to an otherwise silent film in this way, about 1s. 6d. per foot. Projection of the talkies is readily done by apparatus which is easily portable in two cases, as shown in the illustration.

Among speciality selling concerns employing large bodies of salesmen who have to be trained, the sound film is a quick, accurate and inexpensive means of standardizing sales talk, approaches, answers to prospects' objections, etc. It can dramatize the situations in a way that nothing else can.

It can be used, also, for explaining technical processes without necessarily having the expert present. In all circumstances such as the above the sound film saves the user both time and money—and it ensures absolute accuracy.

One large firm using 16 mm. sound films includes a special talk to prospects by the managing director of the company. As the salesman shows this film the prospect, in his own office, is thus put in touch with the head of the concern. He learns of the service the firm is prepared to give, and because he receives this assurance from the managing director he is more inclined to accept it than he would be if the offer were merely made by the salesman.

This idea alone could be expanded and made use of by companies in many spheres of business, for the great thing to remember about the portable sound film is that, in speech, it can accomplish far more than can any salesman. It puts into the hands of the salesman, in fact, an entirely new force, gives him the backing of authorities which, at best, he could formerly only quote at second hand.

The portable silent and sound films are not necessarily competitive. Both have very wide and specific applications.

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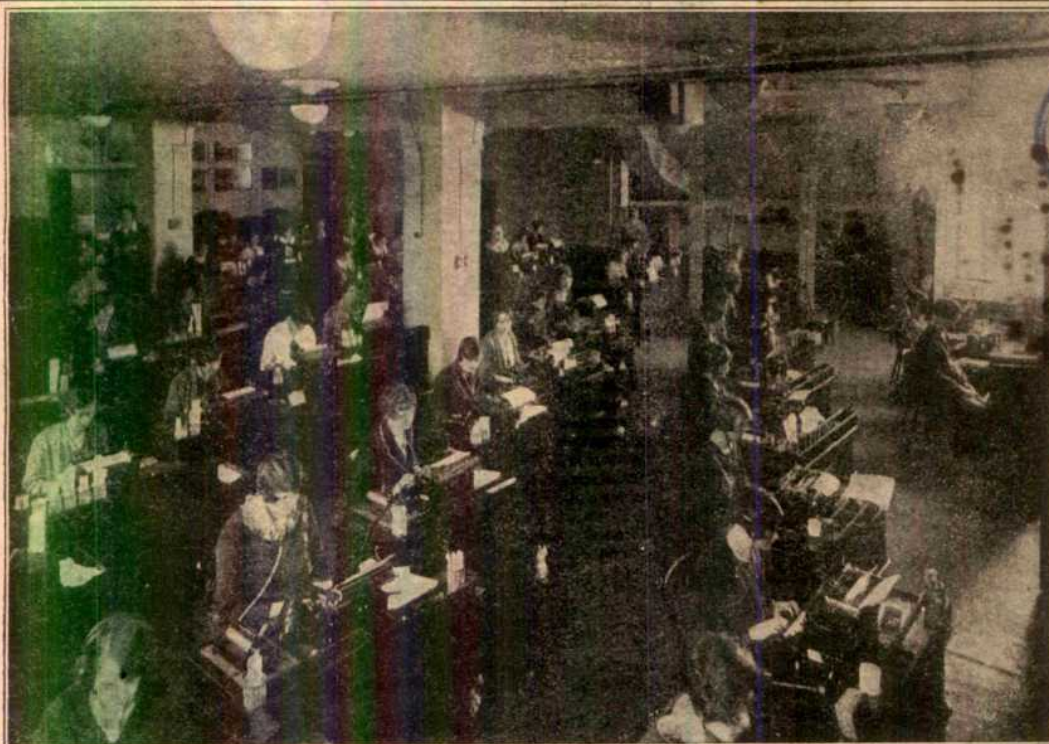
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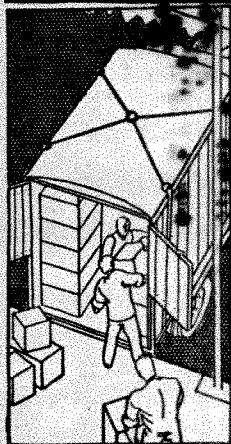
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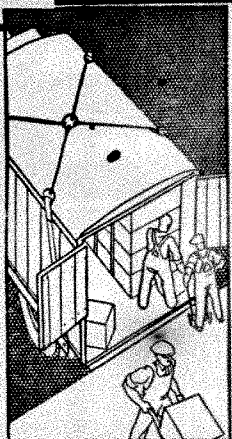
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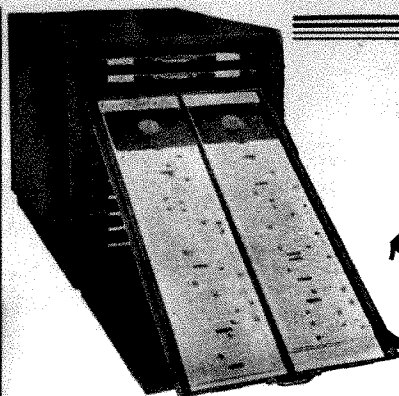
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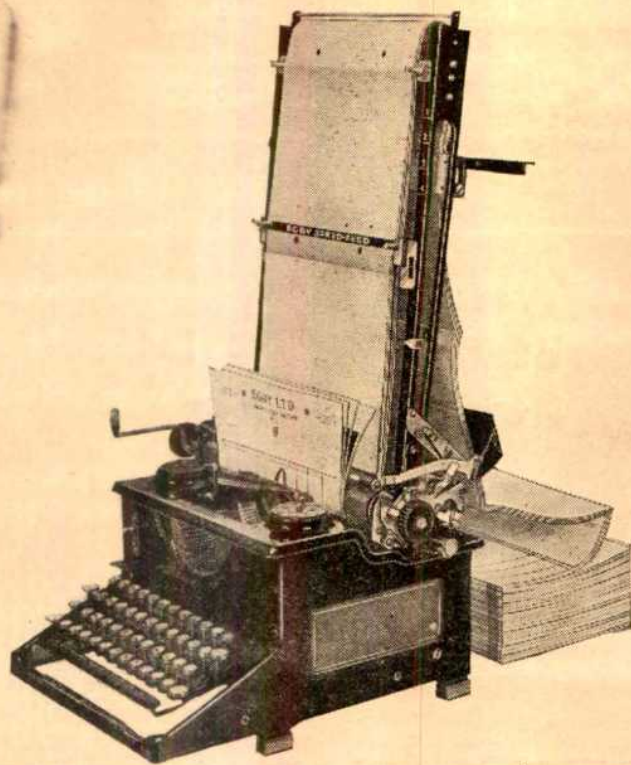
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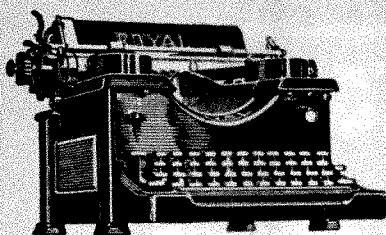
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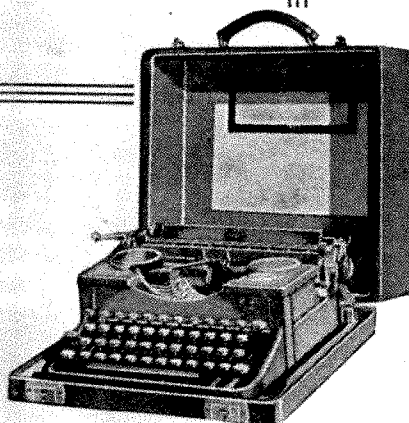


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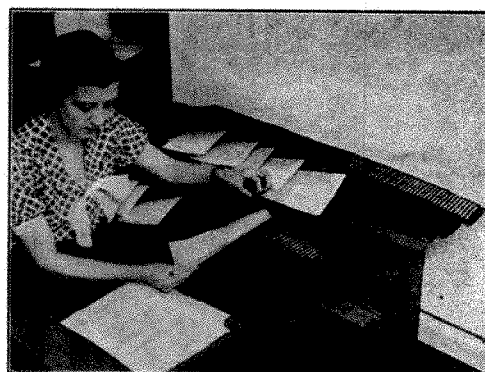
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BUSINESS

JUNE, 1934

MANAGEMENT • CONTROL • POLICY

Why the

Engineer Employers Rejected

the

40-HOURS WEEK Proposal

THE UNIONS CLAIMED . . .

That increased production per worker through rationalization and mechanical equipment is partially responsible for the present state of unemployment.

♦ ♦

That the working week, shortened to 40 hours, would, by spreading existing work over more persons, absorb into employment many thousands now idle.

♦ ♦

That this would restore wages to those thousands and so restore their bulk purchasing power to the extent of some £13 millions a year.

♦ ♦

That this plan would not raise the costs of production beyond a meagre 6 per cent in respect of wages alone.

♦ ♦ ♦

THE EMPLOYERS . . .

For reasons which they give here entirely disagree. They contend that the Unions' deductions and calculations are not in accordance with actual facts and that, economically, the basis of the whole scheme is fallacious.

The Unions Say.—Our proposal for the 40-hours week is not based on the claim that the present 47-hours week is the chief cause of unemployment or that the institution of a 40-hours week would completely cure it. The proposal is based on the broad social ground that industrial technique and productivity have so progressed that a point has been reached wherein a shorter working week, without wage reductions, is essential. We believe that if the step is

not taken, industry will become even more out of balance than it is now and unemployment will be intensified.

In addition to acute unemployment, almost 16 per cent of the whole industry are working short time. This condition is undermining our position in two ways: suffering through deterioration of the standard of living among the working people, and the great loss in their aggregate purchasing power which so adversely affects trade in general, and consequently, our own industry as well.

Federation's Reply.—In discussing short time, the Unions fail to appreciate that employers have endeavoured to spread available work over the greatest number of workers rather than dismiss them. And that this short time—a shorter working week—has not created more employment, or favourably influenced markets seems also to be overlooked by them. If shorter hours with

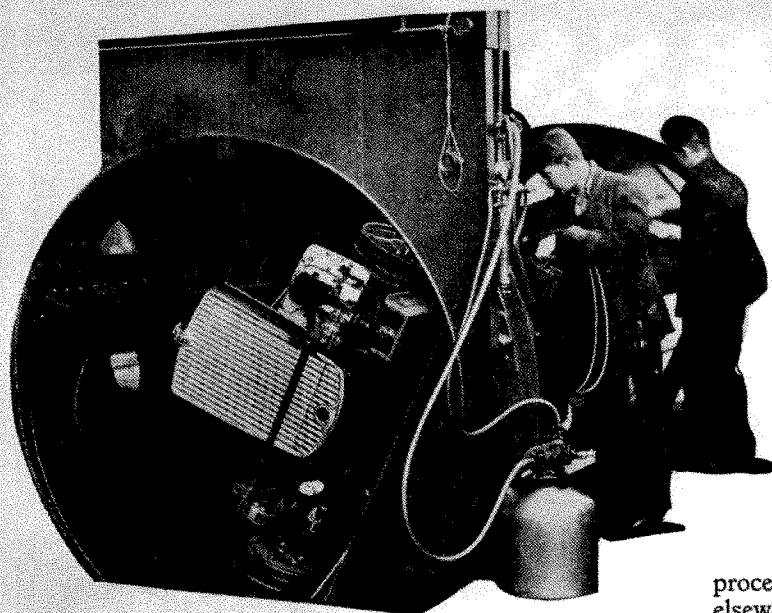
a corresponding reduction in wages does not improve trade, how, then, can it be argued that shorter hours (the 40-hours week) without wage reductions will do it?

Furthermore, in 1919 hours were reduced from 54 and 53 to 47 without reductions in wages, yet in the succeeding years this has had no appreciable effect in assisting employment; in fact, the nation has not even yet recovered from the cost of this reduction.

THE MAN VERSUS MACHINE PROBLEM

Unions.—The effect of science and technology on production is the main argument of our case. These two factors have, to an incredible extent, speeded up manufacture with a minimum of human labour. The average output per head of workers in the engineering industry increased by 24 per cent between 1924 and 1929.

To-day, one man with an electric hand-saw replaces 4 men; a power chisel does the work of 10 men; 2 men do the work of 14 in charging furnaces; 7 men cast as much pig iron as 70



formerly did. Locomotive tyres are turned in 80 minutes per pair, against 930 minutes; in using drop hammers one firm employed 480 men with 16 hammers; when modern hammers were increased to 22, labour was reduced to 280 men, while output was increased 30-40 per cent.*

Federation.—This statement appears to imply that recent unemployment has been caused by mechanical and technical development and that the need for the 40-hours week has arisen out of it.

If this is true it must follow that employment declines with mechanical and technical advancement. Yet from 1923 until the world depression which began in 1930, statistics show that (except for the miners' and general strikes in 1926) unemployment declined steadily. How, then, can it be held that mechanization and rationalization which proceeded normally over this period, have adversely influenced employment?

That production is quickened and its area broadened is not denied. But that it has permanently displaced labour is not true, nor has it ever been true.

Machinery has created new outlets for labour by making goods available at a lower price, and thus increasing the distribution of commodities.

* "Man versus Machine."—C. E. Knoeppel.

EFFECT OF GROUPING AND MERGERS

Unions.—But it is not only mechanically that improvements have been made. Reorganization and rationalization have produced economies in labour and increased productivity. There have been a great many mergers and amalgamations which have resulted in the closing down of individual producing units and so compelling the dismissal of thousands of employees.

Federation.—This suggestion that unemployment has been created by the grouping or rationalization of various

demand for man-power. . . ."

Mr. D. Ferguson (Economic and Statistical Department, British Electrical and Allied Manufacturers' Association): "As production is exceeding population, the standard of living is rising, but as power capacity is increasing more rapidly than production the latter is, to an ever-increasing extent, being carried out without human labour. Consuming power is thereby being gradually reduced and thus we have the paradox of rising standards of living and increased poverty, of want in the midst of plenty."

interests is not well founded. Rationalization has been carried out to make economies which would obviate the greater disasters of the closing down or suspension of an even greater number of units and departments, so avoiding still greater unemployment.

WHICH APPEARS FIRST, MECHANIZATION OR PROFITS?

Unions.—The other side, in a published statement, points out that in the electrical and motor branches of engineering, where mechanization has most rapidly developed, employment has much increased, while in the marine branch, where it has made little progress, employment has fallen.

That may be, but motor engineering has expanded through its successful competition with the railways. What the motor engineers have gained, the railways have largely lost. This advance in motor engineering has not been due simply to mechanization leading to lower prices. Mechanization itself was due largely to the expansion in demand for motor vehicles.

Similarly, it cannot be argued that marine engineering has failed to prosper because it has not become highly mechanized. The truth is that if there had been a greater demand for shipping, the more rapid mechanization of the industry would have followed.

Federation.—The Unions make a wrong construction when they say the Federation states that the marine engineering industry is not prosperous because it has not become highly

THE UNIONS, TO SUPPORT THEIR CASE, QUOTE—

Mr. P. Malcolm Stewart (Assoc. Portland Cement Manufacturers): "... How can industrialists seek to reduce unemployment? Surely by working less hours and employing more men. . . ."

Sir Charles Mander (Mander Bros.): "In industry in general it is safe to say that the number in employment could be increased by about one million if the forty-hour week were adopted. . . ."

Sir Josiah Stamp "... Men have been pushed out of work by machinery far more quickly than they have been absorbed elsewhere. . . ."

Sir Harold Bowden (Raleigh Cycle Co. Ltd.): "Machinery has been for many years visibly displacing men from employment. . . . No economic processes can ever find remunerative work for them elsewhere, for science is progressively diminishing the

mechanized. The evidence is that, while mechanization cannot be held responsible for unemployment in the marine section, it is certainly directly responsible for the increased employment in the motor industry.

WORK FOR A FURTHER 133,000?

Unions.—It is important to get an idea of the number of unemployed in the industry who would be given work through the reduction to 40 hours.

It is generally accepted that output per head would be reduced in the same proportion as hours of labour. Accepting this, 47 men would do in 40 hours what 40 men at present do in 47 hours. Thus the 40-hours week would increase the number of employed by 17½ per cent.

In July, 1933, the total unemployed in the industry was roughly 219,000. On the basis of an increase of 17½ per cent, the 40-hours week would absorb into work 133,000 of these, thus reducing the unemployed percentage from 22 to 9.

Federation.—The calculation that under the 40-hours week "output per head would be reduced in the same proportion as the hours of labour" is not correct. It assumes that all those now working are doing a full 47 hours. But they are not. Information up to March, 1933, shows that the average is probably 43 hours. Then, using the Unions' basis, assumed increased employment would not exceed 9 per cent instead of the 17½ per cent claimed.

COULD THEY SPEND
£13 MILLIONS MORE?

Unions.—Every unemployed person given work in the industry under the shorter week would have his purchasing power restored. At the very moderate computation of £2 per head per week, over £250,000 per week, about £13,000,000 a year, would thus be added to the mass purchasing power of the country.

Federation.—The argument that such a wider spreading out of existing work and the handing out of more wages will increase purchasing power is entirely fallacious. It is increased production that is the basis of increased purchasing power. The giving of more wages without increase in production is merely transferring to a less profitable channel capital essential at the moment to industrial development.

THEY SAY OVERHEADS
WOULD COST NO MORE

Unions.—The main objection put forward against the 40-hours week without pay reductions is that it would increase production costs. It is sometimes asserted that the increase would be as much as 20 per cent.

This is very wide of the mark. There is no reason why a change to 40 hours should affect any part of production beyond actual wages. Materials would remain the same and overheads would not be altered if the new working periods were carefully arranged.

Federation.—This argument is totally wrong from whatever angle it is viewed. The Unions seek the 40-hours week for their own industry, regardless of all other industries. Do they think it possible to confine it to the engineers? Assuming that it was, then material costs would be increased because, as the Unions admit, there would be an increase in engineering costs on account of wages. Those industries which supply the engineers use engineering products in the manufacture of those materials, and as engineering products would rise in price, so would the material supplied to the engineer likewise rise in price. Engineering is a finishing

Speaking about mechanization in the office: what it can and should do, Capt. O. Lyttelton says on page 31 of this issue:—

"There are still many who attribute our troubles and industrial depression to the . . . increasing use of machinery and our expanded power of production. Fundamentally, such objections must be quite fallacious. . . . We must ignore those people who say that mechanization can ever, in any circumstances, be a retrograde step."

COSTS WOULD RISE

"The Unions say that 6% in respect of wages would be the only change the 40-hours week would add to production costs: But what about the cost of more power, light, heat, workman's compensation, insurance; the higher replacements and maintenance of plant? What about the reduced earnings of invested capital working for 40 instead of 47 hours? It would earn less money to build up for those reserves which are essential to keep business running soundly.



industry, and there is a long chain of suppliers whose prices would at once be thus affected.

On the other hand, if the 40-hours week was introduced to all industries, then obviously the Unions' argument that all industries' production costs would be increased in respect of wages would still apply and the price of engineering products would be increased by a much wider margin. Yet the position to-day is that the industry is depressed and unemployment is widespread *because its products are already too costly for purchasers.*

So far as overhead costs are concerned, the Unions are again in error. If, by reducing hours, employment was increased, then obviously more supervision would be required. The cost of power, light, heat, insurances and workman's compensation would also be increased because these charges would have to be carried over a lesser volume of output. More equipment might be

required, and there would be higher replacement costs.

ONLY WAGES UP
SIX PER CENT

Unions.—Statistics give the average wage cost in the industry as 35.5 per cent, including direct and indirect labour. If the whole of this item is affected by a reduction from 47 to 40 hours, the result would increase wage costs 17½ per cent. In other words, the increase in *total costs* would be just over 6 per cent—very different from the 20 per cent alleged. Surely a 6 per cent increase would not ruin the industry?

Federation.—The Unions, with their calculated 6 per cent increase in production costs, do not believe that such a meagre increase would ruin the industry. The following table given below shows the position:

(Continued on page 35).

YEARS.	TURNOVER.	PERCENTAGE OF TURNOVER.					
		Materials	Wages Direct.	Wages Indirect.	Charges.	Gross Balance.	Net Balance.
	£ Millions.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
1923	87	40.45	20.47	13.54	18.94	6.60	5.10
1924	95	42.56	20.54	13.86	17.91	5.13	3.63
1925	103	42.58	20.47	13.65	17.56	5.74	4.24
1926	99	42.01	20.80	14.62	17.92	4.65	3.15
1927	107	43.46	20.30	14.36	17.46	4.42	2.92
1928	117	43.93	20.48	13.83	16.93	4.83	3.33
1929	120	43.36	20.46	14.03	16.60	5.55	4.05
1930	116	43.29	20.46	14.79	16.96	4.50	3.00
1931	91	42.01	20.03	16.28	19.58	2.10	.60
1932	77	42.57	19.63	17.27	20.74	-.21	-1.71

These 3 Policies Keep



By SIR PERCIVAL PERRY

Chairman

Ford Motor Company Limited

1. Adequate salaries and wages through the organization.

2. Harmonious co-operation between all departments.

3. Prompt and unbiassed recognition of merit by promotion and other rewards.

In the Ford organization we try to ensure that the above three factors are always active points of our policy.

In the first place we recognize no material difference between our "collar and tie" staff and our "overall" workers; that is between the office and the works staffs.

We consider that once an employee has been selected as suitable to be engaged on work of whatever kind or status for the Ford Company, then he or she has a right to remuneration that is at least adequate to meet his or her normal standard of living.

It is more economical for us to pay a high standard of wages than to suffer

In addition to fixing a comparatively high minimum wage for all grades of employees, our system embodies an additional incentive. Wages are paid on a *time* basis. This has all the advantages and none of the disadvantages of the piecework system. For example, under piecework a man machining pistons would suffer a setback by beginning work on a casting and then subsequently discovering a flaw in the metal. The rejected unit would come off his total.

Work STANDARDS Govern the Rate of Pay

Under our time system, however, a man is paid so much per hour according to the actual time he spends to complete an average perfect unit. In this way a worker would receive his normal payment even in the unheard-of circumstance of finding a dozen units to be rejected as useless.

The actual rate of payment is arranged for each individual worker by observers who "time study" every operation. As a man becomes more and more expert at his individual job he naturally reduces the time he spends in completing each unit. As the time study reveals his reduction the man is automatically granted a small rise (a penny an hour). This rise continues to be added as he further reduces his time step by step.

So much for the first point, wages. We start with a high minimum and provide definite opportunities for employees to increase it.

But this system does not apply only in the factory. It applies also to all office workers under the wage limit after which a monthly salary system comes into force.

I think another factor should be mentioned here, though it does not appear among the three scheduled above, and that is, the matter of dismissals, as it is a point which has an important bearing on the morale of the staff.

Except for outright insubordination no employee is dismissed from the Ford organization before he has had a number of "try-outs" on different kinds of work. And even then, after he has failed in every one, he is not sent away except on the personal final judgment of the

Men are more important than machines. Machines, when they become out of adjustment, can be repaired or replaced without upset to the progress of the organization. Machines, too, with simple routine attention, will continue to work with a hundred per cent efficiency; they are unaffected by the day to day variations of external conditions.

With the human element of a business organization, however, it is different. In the personnel of a concern there are far more individual units likely to be affected by a wide range of internal and external influences than is the case with machines. The human units, too, are a thousand times more difficult than machines to adjust, replace and maintain at a level of high efficiency production.

The lasting success of any big business undertaking depends, relatively speaking, more on the building up of a first class personnel than it does upon the turning out of goods or the immediate piling up of profits. The maintenance of a contented, efficient and energetic staff is one of the greatest assurances for permanent prosperity and to secure it the management should direct continuous effort.

We hold the opinion that there are three main factors which form the basis of policy for building and maintaining an efficient staff. They are:—

"The lasting success of any big business undertaking depends more on the building up of a first-class personnel than upon the mere turning out of goods or the immediate piling up of profits"

the inefficient work and constant changing of staff which is invariably the natural outcome when employees are worried over reasonable domestic responsibilities which they cannot meet.

Our Employees Efficient *AND* Happy

Works Manager himself. No foreman or section head can dismiss a man.

We recognize that though an employee may join our organization as a worker in a specific job he may not

nailed. It is our aim to produce system—good workable system—without the bureaucracy which so often develops alongside it.

Many firms hold frequent departmental conferences of the "get together" type as a means of keeping departments and executives working in a friendly way. We do not do this. We hold no more conferences than we are compelled to do. It is so difficult to limit conferences to the actual time necessary for the disposal of the problem for which the meeting was called that we avoid them, except for matters of importance upon which we must have representative opinion.

Our departments work smoothly together first of all

departments there is no need for petty jealousies to arise. I will give the reasons in a moment when explaining promotions.

It is, of course, valuable for each department to know what another is doing, and we arrange this in a way which is, I think, a departure from usual practice.

This Error-Checking Plan Works Well

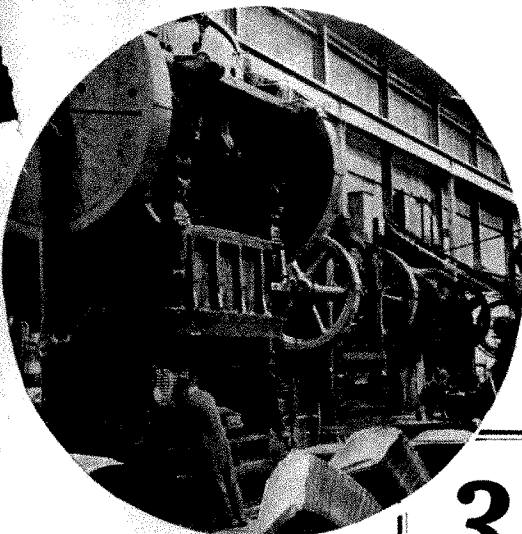
We frequently set a member (probably an executive) of one department to look into and report upon a fault or problem which has cropped up in another department. For example, it may be alleged that some part of the customer service routine is not operating satisfactorily, but instead of delegating anyone from the customer service department to look into the matter we detail, perhaps, a sales executive to do so.

The sales executive, not being so familiar as the service people themselves with the subject, naturally directs more energy upon the unfamiliar problem. Also, being in no way biased towards any aspect or circumstance of the matter he is quite likely to contribute something practical and interesting towards a solution.

Thus, without wasting time in conferences, executives get an insight into one another's departments, and, in so doing, are also able at the same time to render very practical help to their colleagues.

We have one strict understanding in this organization, it is that there are no "weight for age" promotions or increases in salary.

Promotion is one of the best incentives for the whole range of employees, but when it follows a system of seniority it at once operates in the reverse direc-



subsequently prove to be really efficient at that job, and the reason for his not revealing a full aptitude may be no fault of his own. So that in order not to penalize anyone who may happen in the first place to be, unwittingly, a round peg in a square hole, we help him, by means of departmental transfers, to find work which is more in line with his natural aptitude and inclination.

It is to the economical benefit of the firm to get workers suited and happy in this way. It means to us that they produce work in greater quantity and of better quality, with its consequent lesser unit cost in overheads.

This policy, again, infuses confidence in the minds of the staff and improves their morale.

With regard to co-operation and harmonious working between departments, this is essential to the successful running of any big business. Departmental isolation and jealousy can, by inducing friction and jeopardizing the results of work, cost a firm enormous sums in quite unnecessary overheads.

We Wage Ceaseless War Against Useless 'Red Tape'

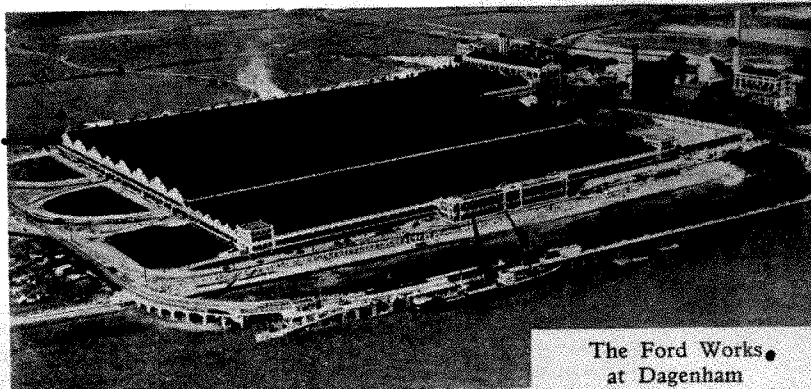
Departmental isolation produces that most undesirable thing in business: red tape. Red tape is one of the things which our management fights tooth and

3 *Payment of high standards of salaries and wages, based on personal efficiency*

Promotion awarded solely according to merit. Continuous scrutiny to note meritorious work

Harmonious co-operation among departments and individuals prevents growth of bureaucracy and petty jealousies.

because we strive to ensure that everybody in the organization is individually happy. That is a major point for management to consider. Secondly, in our



The Ford Works
at Dagenham

tion. Its narrowness and inflexibility kills the ardour of the young, ambitious employee and induces a feeling of resentment among all those except one or two senior people who are awaiting the passing on of the patriarchs above them.

It adds zest and keenness to the staff, in the factory just as much as in the office and in the higher positions, that rewards and promotions are given purely for merit. What is even more important, too, is that every member throughout the whole organization knows that any display of merit will at once be perceived; there is no fear among them that meritorious work, because it happens to be done in an unobtrusive manner, will continuously pass unobserved and therefore unrewarded.

Such an oversight is impossible in our organization, for this reason: In the factory every operation of work, as I mentioned just now, is precisely timed, not occasionally, but continuously.

These timings are made by special, whole-time observers, who are themselves expert operatives, having been promoted for efficiency from the work-bench to the time study department.

Thus Meritorious Work Never Passes Unnoticed

Being, therefore, under such searching observation the whole time, there is a minimum of danger that efficiency among the workers escapes unseen or fails to become noted at once on the records. Workers are aware that they are observed and are therefore continuously "on their toes" to secure the advancement which they know will reward their best efforts.

In the offices and executive departments a similar condition rules. We have a full-time highly-paid executive who, with his assistants, does nothing else but probe into every detail of work division and routine. These observers study everything on a time basis, keep-

ing clear and detailed records of the work accomplished by every department and every individual.

Here also, therefore, it is unlikely that meritorious work will pass unobserved. The time studies reveal everything. The effect, again, on the employees is to urge them always to their best efforts.

Promotion to higher rank is made strictly on merit; even up to the highest executive positions. No positions are filled from outside until the management have first made absolutely certain that the material does not exist within the organization. Employees, knowing this, are consequently keen to make themselves fit for promotion.

This policy of employment, taken as a whole, certainly does get the best work out of employees and does, at the same time, keep them enthusiastic and keen to remain with the company. The secret is that in doing well for us they also do well for themselves.

What Governs The "UPS and DOWNS" of Business?

By ARTHUR JAMES

Managing Director: Viaduct Sewing Machines Ltd.



How much is the modern business man a mere creature of circumstance and how much is he a free agent, able to make his own way more or less according to the ability he evidences?

This is worth thinking about, because from my frequent contacts with business men of all grades of the industrial scale, I have noticed a decided trend towards the belief in a doctrine of business "predestination", a belief that business destiny depends to a great extent on the movements of what are vaguely called "conditions".

This manner of thinking shows itself in two strangely different directions. The everyday, conservative business man is always poring over reviews and forecasts of the state of trade, and is disposed, instead of looking at the state of his own business, to accept the thoughts and views of others on the state of trade in general. If the forecasts point to bad trade, then he may even go so far as to make bad trade for himself by failing to put forth maximum efforts to make good trade. He resigns himself to what he thinks is an obstacle beyond his control.

Only to-day, just previous to writing this short article, I read in the paper the Chairman's speech at the general meeting of a very well-known company.

"There is no outside, impersonal thing called 'conditions' which irrevocably controls a man's business; nor are there such things as cycles of 'good' and 'bad' trade. The state of a man's business depends entirely on the degree of personal initiative, drive, courage and balanced judgment which he exercises in the management of it."

He said: "... the fall in sales has fortunately been arrested, and I think this indicates that the general depression has passed."

What a fatalistic statement. Quite obviously that Chairman believed that a "bad" state existed, that his company had no control over it whatsoever, and that, inevitably, only diminishing business could be done while such a state lasted. A totally wrong attitude of mind, but, unfortunately, a very prevalent one.

There is also a widespread belief—which I, personally, do not share—that there exists something in the nature of cycles of trade, that bad trade and good

trade move in orbits like the planets. True, we have certain ups and downs in business, but there is nothing yet to show that these fluctuations are not to a very large degree emotional, or partly emotional, such as the outcome of a war or a national disaster (drought, floods, etc.). These are things which just happen; they do not occur in cycles. The indication seems to be that the consumption of goods and services goes steadily forward through the years and that bad business is merely a result of temporarily losing control of its exact directions and consequently losing control of production, both as to quantity and cost.

Business forecasting is not yet an exact science, we know considerably more about forecasting than about using the forecasts. Forecasts are guides to planning the future; they are not at all in the nature of judicial sentences.

Though the volume of trade, or any particular trade, may move up or down, that volume is not an impersonal thing which statistics might indicate. That volume is composed of the deliberate efforts of men.

When business is supposed to be bad, some men and companies fail because they do not manage well. The same is true when business is what is called "good", men fail just the same, because they do not manage well.

"Conditions" will never make or break a business, at least, they should not do, under proper management. The only difference between good times and bad times is that in bad times the business man must use more brains in order to make his living. His course is not directed by any inflexible outside circumstance or fatalism, yet I meet many responsible business men who seem to think that they are.

Avoid This Dangerous Way of Thinking

I believe it is wholly dangerous to get into the way of thinking that success depends on something other than personal initiative, pure and simple.

It is a positive fact, and I could quote many actual instances, that the outstanding progress of our best business institutions have been made in bad times—in the face of bad times, I ought to say. If one examines the policies behind any one of those successes, it will be found that the progress was the direct outcome of the perception, the adaptability, the drive and the courage of the management personally. It will be found that it had no relation whatever to "conditions" prevailing at the time; rather that it stood out in violent contrast to such conditions.

In my opinion, therefore, the ups and downs of business are largely the outcome of attitudes of mind among business men themselves. Certainly I agree with the policy of studying forecasts and trends, but I maintain that these should be used as strong stimuli to personal action and not as the alibis and salves to conscience which is, even to-day, too often the case.



THE BROADER VIEW

The Virtue Of Inexperience

A young man, who has been given a position of considerable responsibility in a manufacturing concern, is forging ahead rapidly by virtue of his very inexperience. This sounds paradoxical, but I have watched him closely for several months past, and know it to be literally true.

The secret of his method is asking for information, assistance—and results—that a more seasoned executive would be likely to regard as unobtainable, and therefore not attempt to secure. Those who work with and under this naïve young man often smile over his requests and instructions, and sometimes fume a little. But to their own surprise, if not to his, they give him what he asks for in so many instances that he is developing a reputation for achievement that many a more experienced executive could envy.

This young man will very probably one day be at the head of his industry, because from the first he has assumed that if he asks "matter-of-factly" for what he needs, it will be forthcoming.

A Stroll Around The Office

Every once in a while a business executive should ask himself: Which is more important—the details of my work or the broader objectives? Sometimes a casual stroll through the office, with a word here and a suggestion there, will result in more ultimate benefit to the organization, than three or four hours of dictation or concentration on some operating problem in a private office.

Four Guiding Rules

In times like these, with the whole world disturbed by complex social and economic changes, the man who wants to survive and continue to enjoy life must observe four guiding rules:

1. He must be prepared to learn a new set of rules for life and business.
2. He must keep his mind open to new ideas and conceptions, no matter how revolutionary or unorthodox.
3. He must check all new ideas, plans, projects, against the realities of human nature, and only expect those to prevail which give reasonable promise of working in a selfish world where 98 men out of every 100 think first of themselves and their personal interests.
4. He must be prepared to accept new ideas, new laws, and new social



By
**ROBERT
R. UPDEGRAFF**

and economic plans and projects with good grace, provided they meet the human nature test, and promise the greatest good for the greatest number; even though they may work temporary hardship to him.

I am not yet convinced that we are in a "new era", as some writers so glibly claim; but these rules are good ones to observe as we go through these unsettled times. They will prevent us from being taken by surprise by any turn of events; and we shall be ready to take advantage of all opportunities that present themselves.

Makes Difficulties Disappear

A good way to get around the difficulties of a situation is to ignore the difficulties and concentrate on those points at which progress can be made. While so engaged, a substantial proportion of the difficulties will disappear, and one can then address oneself to those remaining with the advantage of working from an advanced position.

Keep Ahead of the Calendar

The man who works ahead of the calendar always seems to have an easier time of it than the man who is never quite "caught up". The reason for this, it seems to me, is that by thinking ahead one can use other people more effectively.

If a report has to be made on the 25th, the canny executive starts an assistant gathering the necessary data early in the month. There is ample time to write for information, if need be, or to look up records. When the 25th comes round, the work is practically finished, whereas had the executive waited until the last minute he could not afford to delegate the pressing task to anyone else, but would have to burden himself with every detail.

The calendar is a tyrant to the shiftless, a servant to the forehanded.

HOW'S BUSINESS?

Home Trade Still Soaring

THE trade trend has continued with the utmost consistency now for three months. There is almost no deviation to report during the last month. The same factors that were on the upward move have continued in that direction; the same factors that were uncertain remain uncertain.

These Figures are Clear Pointers

Unemployment is down 55,140 on last month, and 562,313 on a year ago. Exports on a daily average are down 9% on a month ago, up 17% on a year ago. Imports on a daily average are down 9% on a month ago, up 10% on a year ago. It is to be noted that not for four years have we bought more raw materials at this time of the year; increased buying in cotton, timber, wool, rubber, hides, ores, all points to greater activity in manufacturing.

Retail Sales for March-April up 1.3% on last year.

Bank Clearings are again up by 10.7% on a year ago; down 14% on the previous monthly period.

Railway Traffics of all kinds up more than 10% on a year ago, shows no real change compared with the previous month.

Electricity Consumption up 20% on last year; 3% on the month.

Building Industry active everywhere; decrease of 5.9% in unemployment on the year; of 3.1% on the month.

Iron and Steel up by almost 50% and 40% respectively on a year ago, though both are down slightly on a month ago.

Coal output is down slightly on the month and almost the same as it was a year ago.

These figures show that production and industrial activity have reached the highest point since 1929. Taking 1924 as the datum line of 100 production for the last quarter was 109; for the preceding quarter, 105; for the same quarter a year ago, about 95; a substantial and consistent rise.

Other indexes are remaining almost stationary. Wholesale prices are 1 point below last month, but still 6 points above a year ago. Raw material prices likewise are less than a point below a month ago, but more than 7 points above a year ago. Cost of living is below last month, and 1 point above a year ago.

The Upward Trend Will Continue

THERE is no reason to contemplate anything but a continuance of this steady upward curve, probably slowing down a little during the summer

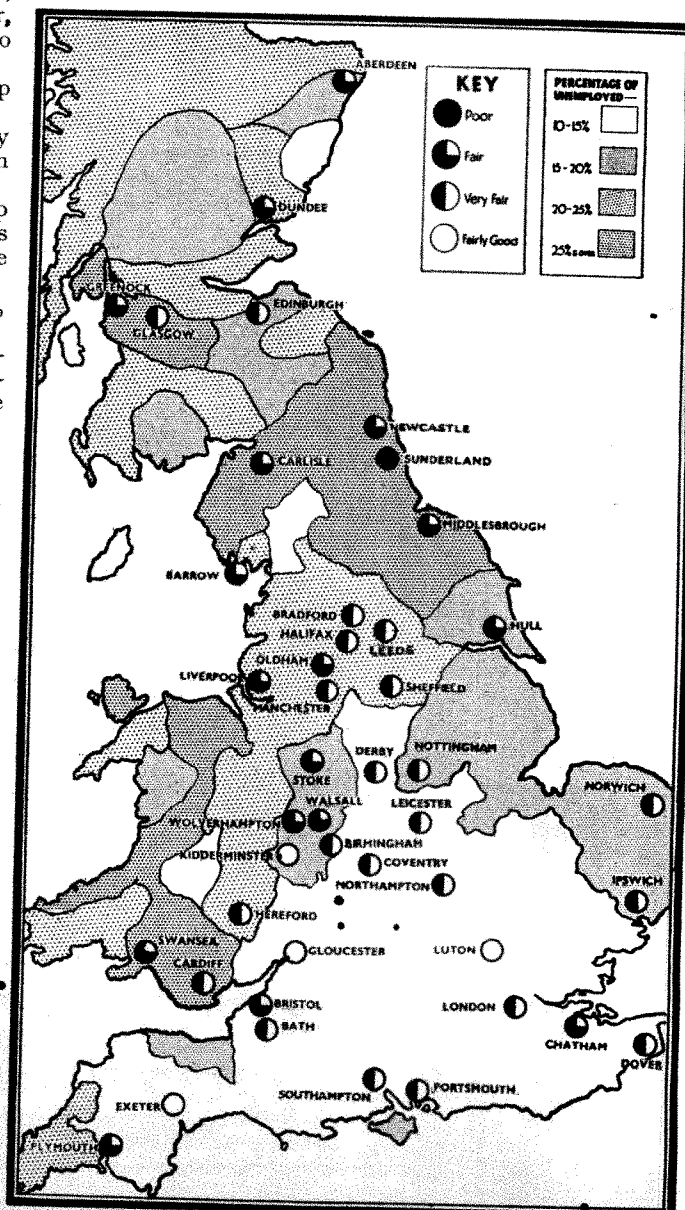
season. So long as building activity continues, as it gives every appearance of doing; so long as the rate of increased prosperity throughout the Empire continues, thereby absorbing more of our exports; and so long as we continue developing the internal market with internal production activity—there is nothing to fear for our home trade.

Now is a time for every business man to take advantage of all possible openings to develop his trade at home when the prospects are justified. And by the very fact of doing this he will contribute to the increased business activity and thereby actually create his own opportunity.

The stock market has slowed down slightly, simply indicating that the last six—nine months it has pre-visited the rise in trade and perhaps a little over-discounted it; also that it sees the somewhat less active summer months coming on. The stock market is always worth watching in a period of upward swing, because to a certain extent it foretells what business men believe is coming over the next three to six months.

Conditions Abroad Very Unsettled

THE continuance of certainty in home trade is accompanied by the continuance of uncertainty in international



London District: Financially the situation is quiet; the iron and steel reorganization scheme and the German debt conference have caused a good deal of excitement, but at present the city is quietly waiting for a decisive move.

E. & S. E. Districts: Crops are backward, but cattle and sheep are healthy. East Coast fisheries have benefited from the worst herring season on record in Norway, at a time when the British herring fishery is normally of little account. All the catch was disposed of. The sugar beet industry in East Anglia will be profoundly affected by the new sugar control scheme being considered.

Midlands: This district has taken its fair share of the increased output of iron and steel; the motor trade has been quieter than usual for this part of the year, though business is still flourishing. The Budget proposals make the prospects rosy.

W. & S. W. Districts: There is not much demand for South Wales coal either at home or abroad; the tinplate industry is working at only 55% capacity, though the demand has improved slightly; the general level of unemployment is down by 2.6% on last year.

N. E. District: Shipbuilding has improved; iron and steel manufacture is up 75%; there is a demand from Scandinavia for Durham coal; the textile areas are not so prosperous as they were a month ago, though there is plenty of work in hand; the Jull has affected general trade; hence the drop in Leeds Bank Clearings.

N. W. District: Activity in engineering is due largely to the increased activity in shipbuilding and the increased iron and steel output. The uncertainty of the American situation brings uncertainty in Manchester cotton circles, for the possibility of restricted acreage may result in a rise in prices.

trade, with about an even balance of favourable and unfavourable features just as in recent months.

The countries that have been pursuing a narrow, nationalist, and intensive policy are still intent on it. Germany, France, Spain, the Balkans, Turkey and U.S.A., show no sign of any support for international trade, but rather the opposite.

The internal state of our competitors is not so good as our own. Japan is feeling our intensified competition, and on the first of May put into operation a trade control act, which can be applied at any moment to exclude the manufactures of any foreign country, thereby making the hitherto politely conducted trade war between the two great powers rather less polite though no less real. Her policy in China, which obviously necessitates close co-operation between this country and the United States if the white races are not to be ousted completely from the fields of development which China offers, has turned the attention of British business men much more closely to the internal condition of the United States.

The recovery programme is going on; statistics show that it is being successful in some of the basic industries, particularly in the coal mining industry and iron and steel, where the output has not reached levels higher than the previous peak levels. The labour troubles are still serious, and until they are settled—~~if~~ ever—the recovery programme will rest on foundations of sand.

The survey at present in progress to find out whether at the end of one year the president still has the support of the people, points to overwhelming confidence in him. This confidence is necessary, for his colossal expenditure on public works seems likely to embarrass more than one decade in the future.

The European sterling-area countries with which we have trade agreements, still continue favourable. On balance there is a slight improvement in the South American countries, and inter-Empire trade continues to expand markedly.

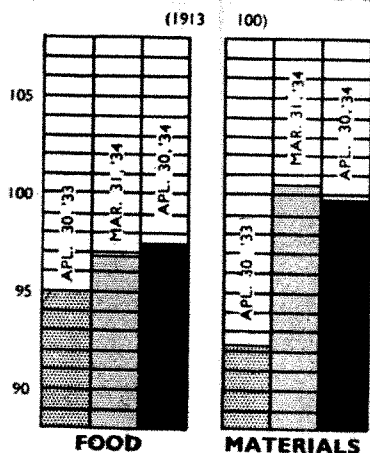
Australian goods entering this country increased from 4.62% of our total imports in 1924 to 7.03% in 1933; in 1930 Australia was seventh on the list of countries sending goods to Britain while in 1933 she was second. Purchases from Great Britain increased by nearly three million pounds in 1933 over 1932. Australian revenue is £3,000,000 more than was expected. Both revenue and production of New Zealand are increasing; the latter particularly, for already a 10% increase in the farm produce for export is predicted for the year 1933-34 over 1932-33.

With Canada our trade went up last year by 5%, and trade between the other empire countries and Canada also increased 29% to 33% of Canada's total. During the first three months of last year, Canada's export trade went down by 28%, 8%, and

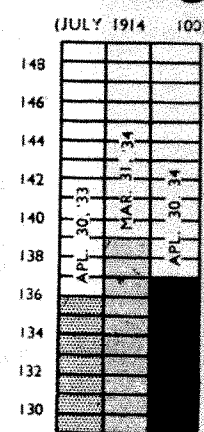
3% respectively, while during March this year the export trade went up by 57% and imports rose by 44%. These are broadly the divisions into which the

world, from our export point of view, divides itself; and this statement represents their possibilities as export markets for our goods.

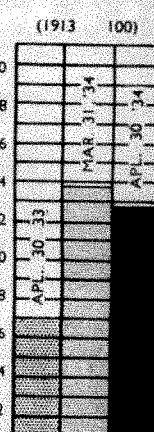
COMMODITY PRICES—UP



COST OF LIVING—UP

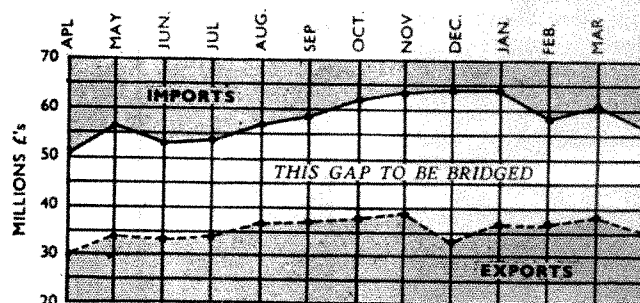


WHOLESALE PRICES—UP

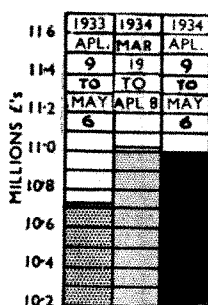


EXPORTS—UP

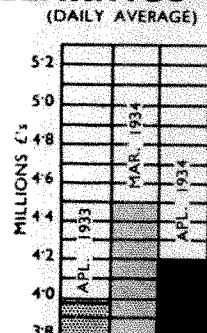
IMPORTS—UP



RAILWAY TRAFFICS—UP

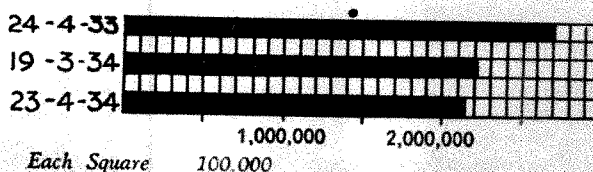


PROV. BANK CLEARINGS—UP



UNEMPLOYMENT—DOWN

Number of Insured Persons Unemployed



Each Square

1,000,000
100,000

Here LABOUR Hires CAPITAL . . .



By P. G. Hartley ; in an interview with
J. SPEDAN LEWIS, Chairman
The John Lewis Partnership Limited

and SHARES the PROFITS

That the prosperity of a firm is largely due to the co-operation of its staff is a fact which is generally recognized to-day. Yet, in nine cases out of ten, the old order of things survives; Capital hires Labour and absorbs the greater portion of the profits, or at best, some portion is shared between the proprietors and the managers.

A business in which the workers are the proprietors and all the profits go to them, managers and managed alike, sounds a little Utopian. Such a business has, however, proved to be intensely practical, in the John Lewis Partnership. It is based on an ideal the exact opposite of that on which most firms are based. All the workers, more than three thousand in number, are called partners, and are treated as far as possible as partners in every respect.

The principles of the Partnership are as follows:

No owner of capital should charge for its use more than he might reasonably be willing to pay if he were a manager; no manager should charge for his services more than he might reasonably be willing to pay were he a capitalist. All profits beyond these charges should go to the workers.

The partners or shareholders in an ordinary firm or company leave in it, if they are wise, at a moderate rate of interest, a great part of each year's profit. The partners in the John Lewis Partnership take out such benefits as may accrue to them from profits in the form of preferred ordinary shares in the John Lewis Partnership Ltd. Subject to the deposit of some of them as a temporary fidelity guarantee, the shares are the property of their recipients, just as any other shares are.

Under present arrangements, the assessment of profits and allocation of shares takes place at the end of each year, the governing factor in the latter

"There is no doubt that the system has developed in all ranks of the organization a really important degree of a quite new spirit, the exact opposite of that curse of British Industry—'ca'canny'"

being the amount of pay of individual workers, whether directors or ordinary employees. As the shares have a fixed cumulative dividend of seven and a half per cent, and only one share is issued for every thirty shillings of accumulated profit, the partners are in fact compelled to invest their profits in the partnership at five per cent. If the company were ever wound up, these shares would entitle each partner to receive thirty shillings for every share

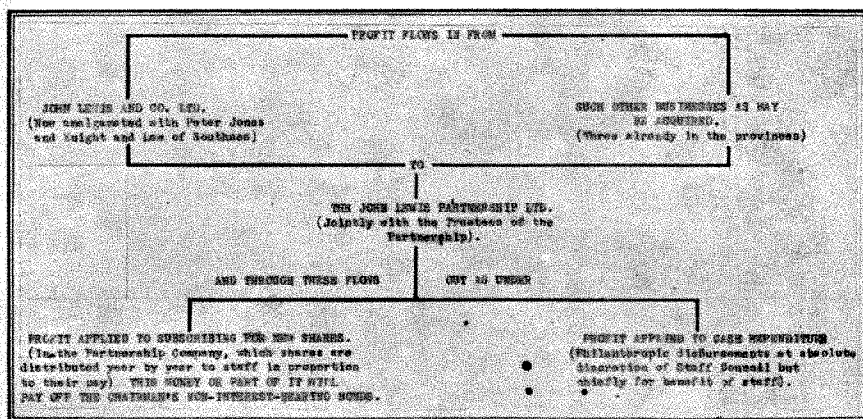
The rate of benefit for last year (as it probably will be for this year) was ten shares for every hundred pounds of ordinary remuneration. As the shares are now saleable on the London Stock Exchange at about 25/—, this means that income is increased by about one-eighth, that is to say between six and seven weeks on every fifty-two. It is expected that, as the business matures, the rate of distribution of 'benefit' upon each hundred pounds of pay will rise certainly to fifteen shares and probably a good deal further. The Partnership is experimenting at present with branches in the provinces. Of these it acquired in the course of last year, four. If results justify it, there may be in the near future great expansion in this direction.

We stated above that a portion of any partner's holding is retained as a temporary fidelity guarantee. These deposited shares are returned to him, less any debts which he may have entailed with the Partnership, within thirteen weeks of his ceasing to be a member. If his deposit has become equal to one half of a year's salary he gets all further shares immediately.

The Partnership has a written constitution which is interpreted by a warden who is entirely independent of the management or staff. A new regulation is shortly to be introduced to the effect that the warden cannot be removed from office without the concurrence of both the managers

and the managed, that is to say all the rest of the staff. He works in conjunction with the staff council, which in itself is carefully organized.

The whole Partnership is divided into sixty constituencies for the yearly election by secret ballot of eighty-six members of the council. In addition



to these elected members the management may rule that the holders of certain posts are to be *ex officio* members of the council, though these latter must not constitute more than one-third of the whole council. This is to ensure that the council shall always include an ample number of members who have experience, knowledge of the business secrets of the Partnership, and special ability for business.

The council may ask the management any question on the affairs of the Partnership. These questions are answered whenever possible, though the management is not bound to reply if, in its own judgment, such an answer might prejudice the business interests of the Partnership. Recommendations to the management may also be made by the council concerning any matter of business, on the same terms as those on which questions are asked.

All this applies only to matters of what the Partnership calls 'Commercial Efficiency', that is to say, the safeguarding and increase of the capital of the Partnership.

All other matters are classed as 'Social Reform'. Here, the position is reversed. The management may make recommendations to the council, but the council has the power of final

decision. Hence, all philanthropic expenditure is controlled by the council. The management simply decides at the beginning of each year exactly how much shall be ear-marked for this purpose. At present the amount is £3,500. By allowing the council absolute control of this money, the management is relieved of all those suspicions of favouritism which may attach to gifts by an employer to help employees through some special trouble.

The work of the council in this connection is done through a number of standing 'committees for claims' of which the chief meets every week for about two hours. They make a constant stream of small gifts or loans according to the claims which have been received.

Here is an Automatic Management 'Balancer'

The council's power over this money has a further use as an automatic balancer in the management of the business. It enables the management to feel that they can attach money penalties to the breach of various rules and to the causing of any avoidable damage to the property of the Partnership, without the fear that in any particular cases such a system may work too harshly. The council has the power to

"The results that our system has yielded already seem sufficient to give the Partnership a big advantage in Competition with organisations of the old kind"



pay from its own fund the whole or part of any payment which may become due in this way, so that the penalties falling upon any individual partner can never exceed the council's own opinion of what is right and proper.

Another notable function of the committees for claims is to review the termination for whatever reason of every engagement and to make, up to the limit of the large fund at their disposal, any leaving-gift that they think fit. In this way the council holds against the management exactly the same power as Courts of Law hold against employers. The Courts of Law do not require an employer to continue working with someone with whom he professes himself unable to work; an employee held by the Court to have been dismissed wrongfully is merely given money damages. The council or

(Continued on page 20)

Carry out a post-mortem on those dead accounts. That is one of the most worth-while jobs with which any live retailer can begin. Almost every shop, from the smallest to the biggest, has closed accounts which,

money price. The letter tactfully suggests that the customer keep this unusually attractive bargain, and asks to be allowed to book the amount in the customer's account.

This general manager finds that,

roundsmen, on all "dead" customers; he may discover some interesting facts. All customers do not openly complain when they have a grievance against a shop. They simply cease to trade there, and the proprietor loses a valuable source of revenue without in the least knowing why. A personal call, as I suggest, may solve the mystery for him.

An uncouth delivery boy, an ungracious assistant, a dispute over a bill, any one of these or half a dozen other things may come to light as the reason for the customer's withdrawal. But once he definitely knows the reason the proprietor can, in nine cases out of ten, tactfully reclaim his lost client.

Many shopkeepers spend much money on advertising, sampling, canvassing, and in other ways, seeking to get new

Waken Up THOSE DEAD ACCOUNTS

with a little trouble and ingenuity, could be opened up again and be made profitably "live". The only exceptions are those customers who have moved away and those who are deceased.

Looking over the dead accounts, however, is definitely a job for the proprietor or the chief executive himself. Re-approaching customers who have once forsaken the shop calls for infinite tact as well as ingenuity and authority, especially if the lapse was originally due to an error or misunderstanding for which the customer considers the shop was to blame.

Most accounts, of course, that "go dead", do so merely from apathy on the part of the customer and not by reason of any definite upset.

The general manager of one well-known store every year personally signs a special letter directed to all customers whose accounts have not been worked within three months. This letter invariably accompanies some article offered at an exceptionally attractive value-for-

actually handling so fine a bargain, few customers can resist keeping it. Next thing is, they call at the store to mention their acceptance; once there, they generally buy something else as well—and the once dead account is open again.

The special article selected to accompany this "re-approach" letter is very carefully chosen. It is priced down to bare cost, sometimes even below. Occasionally, too, a special line is bought up solely for this offer and marked at a knock-out price. The point is, it must be an irresistible bargain.

The practice of another store, when a sale is on, is to send a special invitation to all "closed" accounts offering an extra discount if the customer will visit the store and show the letter of invitation. This also has proved an effective scheme.

In the case of smaller shops the proprietor himself might well call personally, instead of sending his usual

customers, but few exercise the same enterprise and steady determination to keep those customers absolutely satisfied once they are secured. If only they would observe this care, the "mortality" among customers would not be nearly so high.

However, start now with a thorough probe into your dead accounts, get twenty-five per cent of them working again within four weeks.

Why did those accounts 'go dead'? It is a worth-while job to prove every reason

Why We Switched Over

to—

We were faced with the twin problems of uncontrolled price-cutting by wholesale distributors and damage to sales and prestige through uncontrolled retailers not giving after-sales service to users

Prior to June last our main method of marketing was to sell to wholesalers and to allow them to do all the necessary distribution through their own retail customers.

In the course of time, however, it became increasingly evident to us that this kind of trading was not suitable for our particular type of product.

At least two major abuses were gradually arising. First, it laid our products open to uncontrolled price-cutting and other irregularities on the part of both wholesalers and retailers. Secondly, the lack of responsible "service-after-purchase" to users reflected very seriously and adversely upon sales and the reputation of this company as manufacturers.

We found that our sets were getting into the hands of almost any little shop-keeper who thought he could augment his income by selling a few Pyes, and who considered that his responsibility to the purchaser ended as soon as the money was in his till.

What we decided to do, therefore, was to eliminate wholesale distribution altogether and, in its place, to sell solely through specially appointed retail agents who, in addition to selling Pye radio sets at a properly controlled price, would also provide adequate technical service for users.

We Had To Contact With 3,000 Retailers

Simple though this change-over may sound, it involved an enormous amount of work and necessitated the entire re-organization of our sales departments. It meant that, in the shortest possible time, we had to establish contact with, and satisfy ourselves as to the suitability of, over 3,000 radio retailers covering the whole of the country.

To begin with, we formed a representative body of 50 of our best existing retail dealers, selected from dealers nominated by a postal ballot of our service agents, a number of which, naturally, we already had under our previously existing arrangements



By
C. O. STANLEY, F.I.P.A.
Managing Director: Pye Radio Ltd.

This representative body we called the Pye National Advisory Council. At the first meeting we discussed fully the disadvantages of our old marketing system, and asked for their suggestions for its revision. To the plans which we ourselves put forward, the members of the Advisory Council added some valuable and constructive suggestions towards the final plan of ensuring the fullest co-operation among dealers in the future.

Consideration of all the points put forward led to another meeting of the council at which the complete change of our distribution plan to the system outlined above was unanimously agreed to.

We employed various ways to ensure that every one of the 3,000 retailers which we proposed to make an accredited Pye agent was a suitable individual with adequate service resources.

Naturally, we retained the cream of



DIRECT SELLING

the retailers who were already selling our products. Then we had selected names submitted to us by our travellers and our existing service agents. Our advertising agents, with their facilities for market research, also greatly assisted us in finding thoroughly reliable shops.

The moment the change-over was put into force a difficulty we anticipated arose. The market to retailers was upset to a considerable extent by the wholesalers liquidating stocks of Pye products which they could no longer handle. It was one of the things which was inevitable. To combat this as much as possible we saw that it was essential to create an entirely new range of sets so that under the new system retailers would start with the incentive of quite fresh models.

To produce new sets in such a short space of time, however, was almost impossible. We had to be absolutely certain that no set should reach the public until it was technically perfect and thus able to maintain our prestige. To achieve this, therefore, we were compelled to absorb a certain amount of

We Secured Close Records of Every Retail Outlet

time on the manufacturing side. Thus, with wholesalers liquidating old stocks which they would no longer handle, and a certain interval lapsing before the availability of new types we lost a certain amount of business. But this, of course, is not a recurring factor.

Under the new marketing arrangement we are now able to have in our own offices a close record of our products in the hands of every retail dealer handling them. Formerly, we had no record at all.

At least once every week the sales management now scrutinizes every dealer's record, notes his progress—or lack of it—and acts accordingly.

An individual "pep" letter is at once sent to a dealer if his record shows signs of falling off. If his sales then continue to decline a further investigation is made. He may need more display matter, a special window show, local Press advertising matter, or just something to help him overcome inertia in his neighbourhood.

An important point in our plan is that, while close records of dealers' progress is kept at the sales offices, the travellers in the field are also kept similarly informed by duplicate reports mailed frequently about their own customers.

The travellers can thus see for themselves when and where a little "pep" is needed. But whenever we ourselves write direct to a dealer, sending him a "pep" letter, display material, a draft letter for circulation to his customers, or whatever it is, the traveller on the ground is always advised so that he knows exactly what is being done. This prevents a dealer being worried by duplicated efforts from head office and

traveller at the same time.

These dealer records also help us in another way. They tell us not only the present requirements of dealers, but they enable us to forecast future requirements so that we can budget ahead for our raw materials and labour commitments generally.

Under our new policy, therefore, our entire distribution is under our direct control; we have secured the proper after-sales service for the ultimate user which is absolutely essential for a technical product such as radio, so that now we can utilize the full technical excellence of our products for the future building up still further of our sales and of our prestige as manufacturers.

stockists are systematically doing something quite different.

Again, it frequently transpires that the management policies themselves are out of line with the requirements of the market. Cases arise where this is the common knowledge of all those who are in direct contact with the consumer or retailer, but the facts are not presented to the management forcefully enough to ensure a change in policy.

Often, the merchandising policy is at fault—especially where selling is done through retailers. There may be too many lines—or too few. Price variations or terms may be unnecessarily irksome or compare unfavourably with those of competitors—or business may be sought through the wrong retail outlets.

The character and extent of direct and indirect competition is often misunderstood or ignored. The special features of competitors' goods or service

When Sales Are Sticky . . . A Sales Management Survey may find the Causes

By HAROLD WHITEHEAD, B.B.A., F.I.I.A.

A sales management survey involves three major activities. First, the ascertainment of the facts with the object of providing a true picture of things as they are (which may not be as a Board of Directors imagines them to be). This in itself is work of a highly specialized kind, involving researches in many directions and from many angles. Moreover, it requires an absolute freedom from bias, as for this purpose the opinion of a branch manager, a remote stockist, a small consumer, or even a junior sales assistant, may be just as pregnant with valuable information as that of the managing director himself, and consequently be deserving of full recognition.

This first page must of necessity bring to light a mass of information and opinion—often irreconcilable and apparently contradictory—no part of which is of positive value except in its relation to the rest. The second stage in the survey must therefore be to collate and analyse this mass of information with the object of establishing certain leading facts and broad principles which must dominate future decisions. This again is work of a specialized kind, since it involves a constant examination of motive to determine whether opinions are dictated by experience or by prejudice, disappointment, ambition, or even pique.

The final stage is to examine these conclusions and to deduce possible practical lines of action calculated to over-

come any existing weaknesses or special problems which may have been thrown up in the course of the survey. And here, again, the need for an unrestricted outlook and a wide experience is vital. While it is true that the conditions of no two businesses are exactly similar it is nevertheless equally true that the experience of one business in pursuing a given line of policy or procedure may be a valuable guide to the advisability of applying a similar line of activity to another.

It may properly be asked—does such a survey in practice bring to light information or suggestions of sufficient value to justify it? Let me cite a few examples of vital facts brought to light by just such a procedure as I have described.

These Facts Management Needs to Know

One of the commonest findings resulting from a survey of this kind is that the policies laid down by the management are entirely misunderstood by minor executives and operative staff or become altogether distorted when translated into action by the "front line" of the sales organization. Numerous examples could be cited where a managing director or sales manager has stated categorically "Our men (or our stockists) do so-and-so", and it has been found by test that the salesmen or

are not allowed for, nor the strength of his position in various fields admitted.

Central organization is often unwieldy. There is failure to decentralize where decentralization is needed—the responsibility and power of executives are ill-defined—too many people are concerned in one job—action is taken over the heads of responsible executives, and so on.

The essential co-ordination between the various links in the distributive chain is often weak. Departments hinder rather than help one another and persistently disregard each other's point of view. Stockists are lukewarm in their enthusiasm for the goods and have no common interest with the producer. Sales assistants do not know what story to tell.

Splendid advertising is frequently nullified because of a lack of planning to make every selling activity co-ordi-



nate. A vigorous advertising programme may send possible customers into a shop, and there, because the stockists' assistants are ignorant of the advertising appeal, or vague as to the special characteristics of the article advertised, the interest of the prospective customer dwindles and dies.

Advertising may pull thousands of inquiries, and through lack of advance planning these inquiries are not properly followed up.

In another direction it is frequently found that prices, terms, conditions, or that qualities, sizes and packings are not in line with public requirements, thereby making the product more difficult to sell.

The actual sales organization is sometimes at fault. Too few (or maybe too

many) salesmen are employed: they are ineffectually selected, trained and controlled. Territorial organization is poorly worked out, so that high percentage of travelling time is incurred: reports and returns are unnecessarily long, uninformative in character, not properly used in fact. Or the actual selling practice of the sales staff may be demonstrably ineffective.

A sales management survey will sometimes disclose facts and suggest lines of action which have already been presented to the management. A sales manager may have urged upon his directors the programme recommended in the survey report. The added weight of evidence may be sufficient to win over the Board to acceptance of the plan. In such cases a survey more than

justifies itself, for it leads to prompt action.

These are a few of the facts which a properly conducted sales management may bring to light. It is not suggested of course, that any one business will be likely to reveal more than a few: it is undeniably true, however, that even in the most progressive and prosperous of businesses some of them will usually be found.

I suggest that this process of evaluation be made periodically, and that the time to commence it is now. It is a fatal mistake to ignore the presence of such defects in organization and policy until a business has gone too far downhill to be readily pulled up.

[Extracted from a recent address to the Incorporated Sales Managers' Association, Liverpool Branch.]

Here Labour Hires Capital

(Continued from page 17)



their committee, voting by secret ballot, can do exactly the same thing. Of course, such a gift does not necessarily imply censure of the management; there are many cases in which such a gift is quite justifiable as a matter of good feeling, although the dismissal may have been quite unavoidable as a matter of sound business.

The general administration of the business will readily be understood by reference to the diagram. When the present chairman became sole owner of the equity of the business, his adherence to the principles set out above caused him to refrain from realizing upon his interests, which were then valued at about £11,000, and to allow the whole of that capital to serve for the time being as the junior capital of the new organization. This he did by means of a trust-settlement whereby all the profits were secured for the staff (henceforth the partners) of the companies constituting the Partnership. He himself lives by gradual consumption of that capital itself, its place being taken by the gradual accumulation of those profits. The chairman's own capital is in the form of non-interest-bearing bonds and these, as we have just said, are to be replaced gradually by the new share-capital that is given year by year to the staff.

All profits from the associated provincial companies will go in cash to the trust fund which will subscribe for the

shares in the Partnership that are to be distributed among the partners. The functions of the Partnership are:

1. To reduce by gradual repayment of his deferred bonds its liability to the chairman in respect of his own original capital.
2. To give to the staff as much as possible of all of the advantages of ownership, chiefly by putting into their possession the shares representing the re-investment in the business of its accumulating profits and also by giving them special help in any special trouble or other need and by creating and conducting for their benefit clubs and other social activities, etc.

The rate of distribution of benefit, that has been reached already, would have been greater if the business had been more mature at the time when the scheme was set up. Not merely was the existing business at a stage far short of its potential profit-yielding power but there have been acquisitions of other businesses, chiefly the immediately neighbouring large premises in Oxford Street of T. J. Harries and Co. Ltd.

It was considered that it would be in the long run bad policy for the Partnership to let these chances slip but the immediate consequence was inevitably to increase both the total overhead expenses and the total pay-sheet in proportion to the immediate

total flow of profit. Nevertheless the results, that the system has actually yielded already, seem to have been sufficient to give the Partnership a really important advantage in competition with organizations of the old kind.

Apart from the effect of the system in increasing the efficiency of trading operations, it has other important merits from the standpoint of the general community. The partners show naturally a desire to keep the shares rather than sell them. It is hard to keep putting aside little odd sums that might be saved from each week's pay. It is much easier to refrain from selling all or part of a block of shares. To this extent the system promotes individual economy and thrift.

Among the advantages from the standpoint of the efficiency of the Partnership itself we ought perhaps to have mentioned the following:

Naturally it makes workers much more inclined to accept necessary discipline. Its sheer success in trading favours the obtaining of capital at cheap rates. Finally, the fact that the profits are distributed under a legal trust-settlement, means that the total income-tax that falls upon them is merely the aggregate liability to such taxation of the actual recipients. Since the profits are thus cut up into a great number of small slices, the proportion, that after taxation remains for accumulation in the business, is of course much greater than it would be if the profits were flowing to one person or to comparatively few persons or to shareholders whose individual holdings were small but whose total incomes were large.

We hope that we have succeeded in giving some idea of the reasons for which the founder of the Partnership believes that, if its business-management be of fair ordinary competence, it must be highly successful because of its special advantages in other respects. He believes also that, until these policies have spread throughout industry and such patient practical experiments in industrial reform have become the rule rather than the exception, labour will never be fully productive nor will there be the maximum of consumption to balance it.

Is your accounting system *sound*!

Promptly comes your answer "Of course it is!" and doubtless you are right - as regards principle.

But surely "sound" means much more than this? Can accounting and recording be called sound that is wasteful of time and labour, that entails expense to you for overtime, that risks losing you customers because of its all too frequent inaccuracy and because of the delay it engenders?

Kalamazoo Systems Dept. offers you help and advice

You may be one of the thousands of firms who are quite unaware of the possibilities at this moment existing in their counting-houses of speeding-up, of economising in time and labour, of increasing control and efficiency.

Probably this is because such possibilities have never been pointed out.

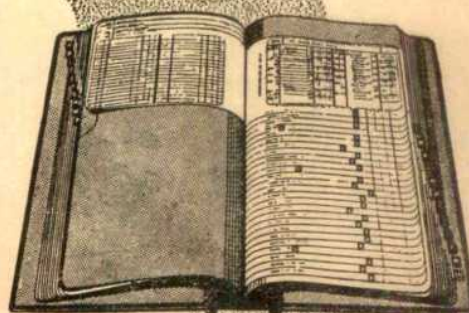
The Kalamazoo Systems Department will indicate to you any such possibilities that may exist and give you subsequent advice and help, all without the least implied obligation. It does not deal with the accounts themselves but with their material arrangement; and it may be that only a slight change in the latter is necessary to produce a surprising result.

For instance, a loose-leaf record may be changed to a "visible" record with enormously increased speed of posting and reference and with the additional advantage of giving absolute control by signal.

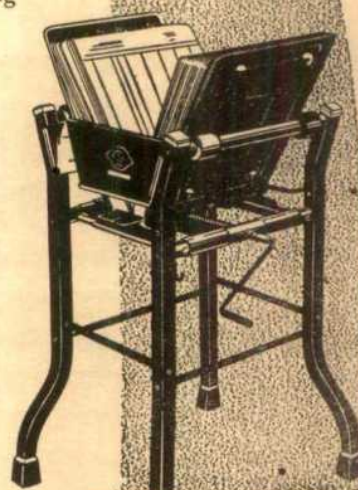
Whether you are satisfied with your present methods or not, why not write us? It may be we can help you.



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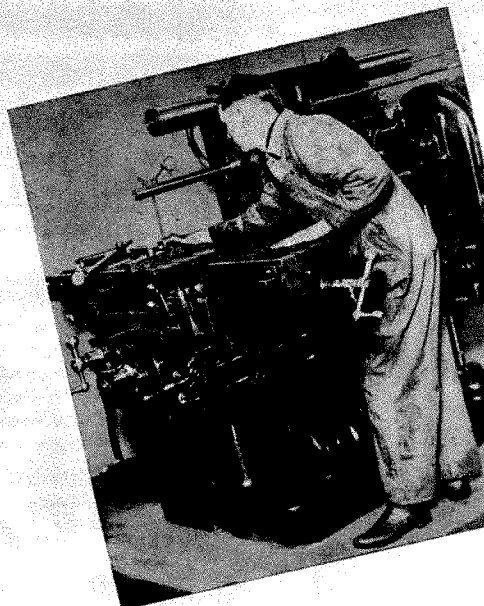
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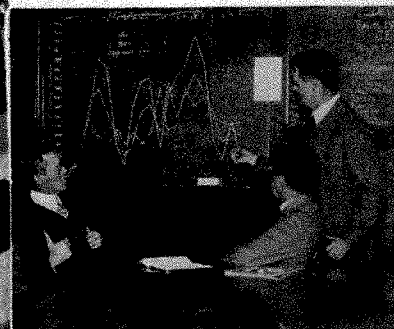


Scientific

Our
Newest
Department
is the



★
From an Interview with
H. W. HEALY
Works Manager
The Gramophone Company Ltd.



ANTI-WASTE SQUAD

In our constant endeavours to cut down production expenses in this firm, we have taken a course which at first sight might seem to increase them. We have instituted a new department.

Our products are mostly radio sets and gramophones, in the making of which there is a vast number of processes. The more processes there are in the manufacture of any commodity, of course, the more scope there is for wastage, of time, labour, material and of money. It was in order, therefore, to investigate the extent of this wastage, and if possible to cut it down, that the new "Anti-Waste Department" was instituted.

The method of working the department is simple. We selected three men who were well versed in the manufacturing processes of our products, and who could, in addition, read statistics accurately, and we gave them a roving commission to enter any department, investigate any process, and to make whatever inquiries they wished, with the sole object of finding out where wastage was occurring and of suggesting methods of cutting it down.

These three experts take the works, department by department, and investigate first the use of material. The weight of raw material entering the department is ascertained, and the total weight of the products when that department has finished with the raw material is also obtained, and a comparison made with the first weight.

Where has the difference gone? For there always is a difference. Less comes out of the department than goes into it.

By the words "total weight", which I used just above, I mean, of course, the sum total of the finished products,

"We created this additional department of three experts to cut our production costs. Its primary function is to discover and check wastage in MATERIALS, and its secondary function to track down wastage in any other factor which goes to make up the costs of manufacture.

"So far, in a few months, an all-round saving of 10 per cent. in materials has been made, and similar savings in general overheads are expected shortly to show up."

and the by-products, such as washers which are stamped out of scrap metal, and a host of other small but useful items.

Having found the consumption of material, the anti-waste department next considers the scrap. Is there any way in which the scrap can be utilized for our profit? Alternatively, and more important, is there any way in which the amount of initial scrap could be diminished?

To decide this, every process is carefully examined with a view to its betterment. In some cases it has proved that the introduction of new and improved machinery has materially diminished the amount of scrap. When this has been so, the department has had to consider the value of the scrap saved in comparison with the cost and upkeep of the machinery.

In addition, the department is always given a complete list of the new models which are to be put on the market in the near future, and by a consideration of this they are able, in some cases, to suggest a substitution of material so

that the initial cost is less, and the final scrap is less also.

This brings the anti-waste department into direct touch with the planning department, but though the two work in harmony, they do not work in close association. The work of the former is to overhaul and scrutinize the work of the latter.

The planning department deals mostly —almost entirely—with production. The anti-waste department specializes in material.

Yet this department is not forbidden to offer suggestions for the improvement of production methods. Its work in connection with the examination of the various processes of manufacture necessitates this. Here, it is able to examine the labour costs and to suggest improvements. However frequently the labour is overhauled, we find that it is impossible to deny the fallibility of the human element.

From the examination of labour costs, it is a short step to the examination of the total general oncosts of a department. The greatest item under

this heading is that of transport within the works. This has received serious attention, and the amount of transport for which each department is responsible has been fixed.

When a department has been thoroughly examined in this way, the anti-waste people consider all their statistics and make out a report and a schedule for use in the future. All the proposed alterations are carefully and fully described. In the schedule for departmental use everything is translated into terms of money. For instance, x pounds worth of raw material enters the department and y pounds worth of finished product emerges. This last figure must represent a given percentage of profit, and from this are allocated:

1. The maximum labour cost permissible.

2. The figure for wastage which is the maximum for the required standard of efficiency.

3. The permissible amount of general overhead cost.

As an incentive to the employees to live up to the standard required, a bonus scheme, based on the schedule has been instituted, and any department which produces its goods at a lower rate, that is, reduces the wastage and/or the labour costs and oncosts, receives a bonus proportionate with the amount of the reduction effected.

In order to qualify for this bonus, it is necessary for every employee in the department to work in harmony with his neighbour, for it stands to reason that if the "chasers" try to hurry work through while the men on the machines are not at all particular, the extra effort

of the "chasers" will not show in the final balance-sheet of the department. The scheme tends to provide a better spirit among the workers as well as a better profit for the firm.

The new department has not been in operation long, so that it has not been possible to determine its exact value. An indication of its probable worth is, however, given by the fact that in its short life of a few months only, it has effected a saving of more than 10% in raw materials alone. We believe that in the matter of labour costs and oncosts, a long view must be taken, so we refrain from giving the provisional figures which have been obtained up to date. There is no doubt, however, that they point to a result as satisfactory as that which has been obtained in connection with the raw material costs.

THESE SIGNALS REDUCE FIRE HAZARD

To minimize the damage from fire, it is necessary that every person in an organization should know what to do in case one should occur. This is how the situation is met in the works.

The clocking-on stations are located at numerous points throughout the plant. To avoid waste of time, each clock, with its two sets of card-racks, controls a small number of workers only. One pocket in each rack, instead of displaying a white time-card, displays a red panel. This panel gives the alarm signal for the section.

This clever idea places the vital information, not merely where it can be seen, but at the *one point where it must be read*—and four times a day at that, for in order to select his card, a man must have his mind on the rack.

DRINKING FOUNTAINS WHICH SAVE TIME

Considerable time is lost in most factories because a long walk is necessary in order to get drinking water. Further time is lost in rinsing the cup. Even then it is not clean. To save this time, special drinking fountains are placed at frequent intervals throughout the works. Upon depressing a ring, the water bubbles from a nozzle

to a height of four inches. In drinking, the lips do not come into contact with the nozzle. These devices cut out the walking time and the cup-rinsing time. But their chief value lies in their hygienic advantage.

EASIER AND BETTER SOLDERING

Soldering is notoriously a wasteful process—and sometimes a difficult one. This is the method used to solder the tops on radiators.

Instead of covering the two surfaces with solder in the usual way, stampings are used. These are thin leaves of solder exactly the same shape as the radiator top. Holes are already punched so that the leaf fits over the radiator tubes. The soldering process then consists simply of placing the leaf in position, painting it with flux, locating

the radiator top and heating the whole job.

This method ensures a perfect joint and eliminates the need of skill.

THIS CONVEYOR SAVES MATERIAL

Even in a moderate size plant, many hundreds of pounds a year are spent in clearing swarf (metal chippings) from the machines. The usual method is for a labourer to shovel it from the machine, which is stopped while he does it, and take it away in a wheelbarrow.

Behind every battery of machines runs a conveyor. This consists of a series of perforated sections separated by a raised ridge. This moves in a guarded trough. The cutting compound and the swarf fall from the machine on this conveyor. The compound runs through the perforations into the trough. It is then carried back, cleansed and passed to a central sump for re-use. The cuttings are carried along on the ridged conveyor. This conveyor meets another transverse one. The latter carries the swarf, now almost dry, direct to the furnace for remelting.

Although perfectly simple, this idea cuts out all the labour cost of handling swarf. It cuts out the loss of idle machines. It keeps the floors clean without the cost of labour. It economizes on the cost of cutting compound. And because the latter always reaches the machines in a clean condition, trouble from choked pumps is eliminated. Another advantage of the central sump is that the compound is always cold when it reaches the machines. This means a saving on tool steel.

Research Does Two Things

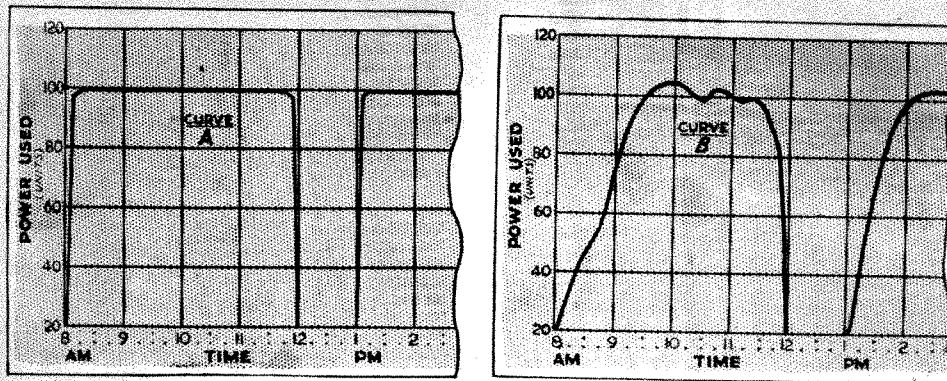
The function in research is two-fold. First, it is the elimination of waste: the saving of time in human effort and materials, the improvement of tools and methods. Secondly, the creation of new industrial activities. This is of the most significance at the present time as it represents the best means of absorbing unemployment.

"All new industrial activities originate in abstract ideas which must be carried through a sequence of operations commencing with research and terminating in financing and establishing productive facilities.

"To-day research is recognized by progressive industrial concerns as being fundamental not only to an industry's progressive efficiency but as affording an insurance against the risk of being outclassed by more advanced rivals."

A. P. M. FLEMING, C.B.E., M.Sc., M.I.E.E.

Director Metropolitan-Vickers Electrical Co., Ltd.



How We Cut Down Unproductive Labour Time

By L. G. HORSEFIELD, A.C.I.I.

No employer can afford to pay his factory hands for time which is not occupied in actual production, and the universal use of time-checking systems is a step towards minimizing any such loss. It is, however, only a step, although in a great many firms it is the sole precaution taken. Once the employees have "clocked-in", it is left entirely to the foreman in each department to see that they are actively engaged, and while this *may* be adequate, there is no guarantee that time is not wasted unless some further system of checking is introduced.

The simplest and most effective check that can be utilized, is a self-recording chart fixed on the main power-source, and showing the fluctuations in the demand for power. Since the power used is in direct ratio to the working of the machinery (both number and speed of machines operating), this chart will give an exact and automatic recording of the work being done at any particular time.

Now examine such a chart in detail: how does it start each day? If the men clock-in at 8, the curve should rise almost vertically at 8 a.m., from the normal night-reading to the full-production figure (as in Curve "A"), remaining steady until 12 noon, and then dropping vertically for the lunch-hour. This curve should then be repeated in the afternoon.

The Power Consumption Figure Tells the Tale

More probably it will be found that the indicator shows a comparatively gentle rise (as in Curve "B"), showing that the demand for power—i.e., the productive effort of the machinery—starts at a low figure just after 8 and steadily rises during perhaps half an hour. Possibly it will then rise slightly above normal, revealing an effort on the part of the workers to make up for lost

time, probably at the expense of efficiency, or of the life of the machinery. Next the curve will gradually drop back, with varying degrees of fluctuation, and may even fall regularly below the full economic figure until about 11.45, when it will begin to fall much more steeply.

When the test produces a curve of this nature, a conference of the foremen should be called to discuss its implications.

What is the cause of the slow start? Is there too much time wasted in talking before settling down to work, or is one department held up altogether until the first products reach them from another room? What steps can be taken to correct these things?

If the Curve "B" rises above the level fixed as the standard, does it mean that the latter is too low—that the machinery could be run at a higher speed without detriment?

What is the cause of the gradual decline of Curve "B" during the morning? Would a five-minutes' "fatigue-break" at 10.30 enable a substantially higher rate of production to be maintained during the rest of the morning?

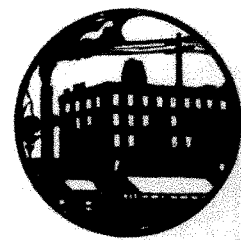
Still more important: what is the cause of the dropping-off after 11.45? Is there any slacking on the part of the men—running slow, so as not to start a new job just before 12—or is the originating department being slowed down deliberately to give the other rooms a chance to finish? Could these faults be rectified by staff changes, or an alteration of procedure?

If the answers to some of these questions are not clear, it may be necessary to have similar charts prepared for different sections of the works, to ascertain precisely where the fluctuations arise. It may then be found that there are far wider variations (including serious slackening-off) in certain departments, but these have hitherto been masked by extra activity in other directions at the same time.

Even after this system has been tried out, and an improvement in the main chart has been achieved, it is still desirable to take periodical tests (for one day) on one or another section of the factory. The foremen should not be notified of the particular department being checked, but the resultant chart should be passed to a senior executive as a confidential report on the working.

A Quick Way to Find the Average Curve

These daily charts may show wide fluctuations due to temporary breakdowns: in a small room the failure of a single machine may reduce the power used by one-third or even one-half until it is rectified. These variations are



Where is working-time wasted in your factory? Are there slow starts morning and afternoon and after breaks or rest pauses? Is time wasted by operatives walking to and from machines? Is there a pronounced slackening off too soon before "time"? Does one shop slow down to suit the convenience of workers in another shop? Do workers "go slow" to avoid starting another job before "time"? The kind of chart described here will enable you to check these possible leaks in overhead costs.

unavoidable (although each should be investigated), and the real importance will rest with the average of the daily curves for each individual department.

An excellent way of arriving at the "average curve" without waste of time, but with sufficient accuracy for practical purposes, is to have the charts drawn on thin paper, and then placed one on top of another and held to the

light. The various curves will all be simultaneously visible, and a rough "master-curve" can then be sketched in on the top copy. A particular advantage of this simultaneous examination is that any tendency to breakdown or to slackening-off at a particular time of day becomes immediately obvious, and calls at once for investigation and remedy.

for Freud maintains that it is better to have nothing before one but the actual work in hand. This is an aid to tidiness and concentration, and papers and documents should be given into the charge of a confidential secretary. The room illustrated includes a built-in cabinet fixture in one of the walls with five cupboards, two drawers and two open shelves, and this provides ample accommodation for everything that might otherwise have to be kept in the desk, besides including a cabinet for drinks and smokes.

Another important point is the fact that when seated at his desk the director faces the door to the room but is as far away from it as possible. This is an arrangement which is calculated to ensure respect. Freud maintains that the greater the distance between desk and door the more dignified the impression received by visitors. The worst position for the desk of an important executive is near the door but with his back to it, so that the executive looks over his shoulder at approaching visitors. The desk should always be as far from the door as possible, and the chair should be facing it.

There are chairs and a small table in another part of the room; these are for conferences, and behind this is a settee which can be used for a spell of rest when needed. The director's table is of a type which can be placed together with others in the room thereby giving a long, single conference table.

The room includes two telephone extensions, one at each end of the room, so that when calls come through the occupant has only to go to which-ever receiver is the nearer.

'BUSINESS'

FRONT COVER ILLUSTRATION

A Director's Room in Modern Style

Several novel ideas on the decoration and equipment of business premises are represented by this photograph, which shows a director's room in a bank decorated by Ernst L. Freud, a son of the psycho-analyst, at present occupied on architectural and decorative work in London.

The bank premises are in an old-fashioned building which has been completely modernized, and the room illustrated was originally part of a large hall which has been divided by the architect into smaller interiors. The walls are insulated against sound and are finished with beige-coloured Japanese seagrass; the door, also, is laminated and has a middle ply of soundproof material. Artificial lighting is by the indirect method, lamps being concealed behind a plain cornice a foot or so from the summit of the walls, and

in addition there is a table standard on the director's desk.

Tubular metal furniture in bronze is used for the chairs and tables. The latter have tops of natural leather; and the structural woodwork, including the door architrave, skirting and built-in cupboards, is American walnut. The colour scheme is principally in tones of beige, brown and bronze, giving an effect of dignity and restraint. The curtains are brown; the chair coverings are a handwoven fabric in tones ranging from beige to rich brown, and the carpet is a neutral velour. It will be noticed that instead of ornate mouldings to the ceiling, a narrow bronze fillet is run round the top of the walls.

Psychology enters into the planning of this room more than a little. The director's desk or table, for example, has neither drawers nor pigeon-holes,

An Accountant's Monthly Work Sheet

MONTHLY ORGANISATION OF WORK		1	2	3	4	5
		Post statements to all regular accounts, special accounts, builders' supplies, and country accounts		Over-due accounts come up for review Dictate letters on accounts that require special attention		
6	7	8	9	10	11	12
	Second follow-up to old accounts, two instalments over-due Fourth follow-up (personal call) to new and old accounts, three instalments over-due Pick up merchandise, accounts 115 days over-due.			First statement instalment accounts, no note. Second statement instalment accounts, 30 days over-due A-N. Third statement instalment accounts, 60 days over-due B-N. Fourth statement instalment accounts, 90 days over-due C-N.		Dictate letter country accounts 30 days or more over-due
13	14	15	16	17	18	19
Dictate letter to special accounts over-due	First follow-up new account, one instalment over-due. Second follow-up new account, two instalments over-due Third follow-up new account, three instalments over-due First follow-up old account, two instalments over-due Third follow-up old account, three instalments over-due Fifth follow-up old and new accounts, four instalments over-due.			Dictate letter regular accounts 60 days over-due, ledger number 1	Dictate letter regular accounts 60 days over-due, ledger number 2	Dictate letter builders' supplies accounts over-due
20	21	22	23	24	25	26
	Dictate letter regular accounts 60 days over-due, ledger number 3	Dictate letter regular accounts 60 days over-due, ledger number 4	Second follow-up old accounts, two instalments over-due. Fourth follow-up (personal call) to new and old accounts, three instalments over-due. Pick up merchandise, accounts 115 days over-due.		First statement instalment accounts, no note. Second statement instalment accounts, 30 days over-due A-N. Third statement instalment accounts, 60 days over-due B-N. Fourth statement instalment accounts, 90 days over-due C-N.	
27	28	29	30	31	Handwritten Notes	
	First follow-up new account, one instalment over-due. Second follow-up new account, two instalments over-due. Third follow-up new account, three instalments over-due. First follow-up old account, two instalments over-due. Third follow-up old account, three instalments over-due. Fifth follow-up old and new accounts, four instalments over-due.				* Note A. "Kindly include the (August) instalment with your next payment." ! Note B. "Kindly bring instalments up to date." : Note C. "This account is long over-due; please give it immediate attention."	

This simple plan of outlining important jobs on an ordinary calendar sheet is very effective. The sheet can be left on the calendar standing on the desk or the sheet can be detached and slipped under the glass on those desks having a plate glass top. A work-sheet for an executive handling any sort of work can, of course, be made out in this way.

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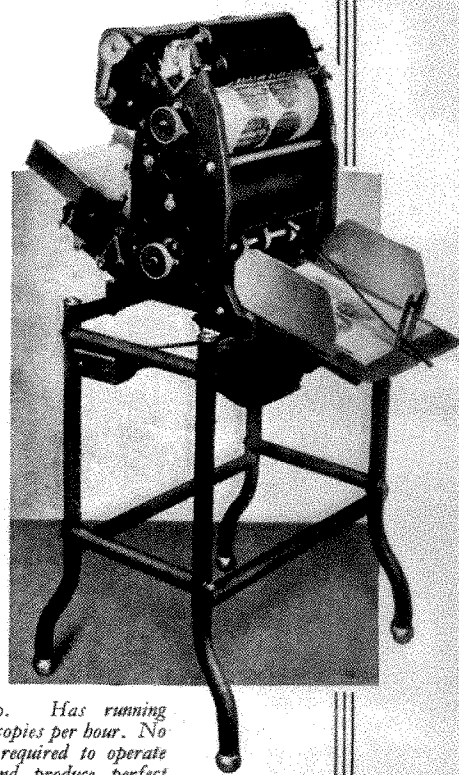
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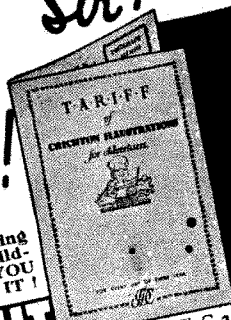
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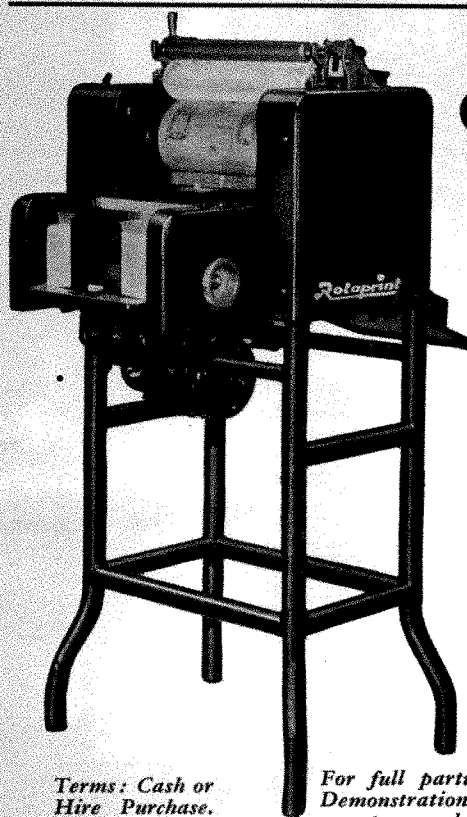
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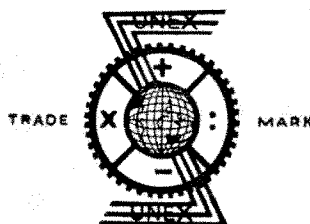
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What MECHANIZED ACCOUNTING Does For Us.....



On the right, information being recorded by hand punch; on the left, card sorting in progress; centre, the tabulator.

“One month's complete statements, numbering 10,000, averaging four lines each, are produced in triplicate on the machines, automatically balanced and dispatched in a day and a half. Our office work has trebled over the fourteen months since we had the machines installed, yet we can handle it easily with the original staff, aided by the machines. Peak periods, when formerly the office was hard-pressed to keep pace with the work, are smoothed out and now merely mean extra machine time—not extra staff or overtime. Our stock control by machine enables us to follow the demand closely so that the types of packing most called for at any time are invariably available—we never have to delay fulfilment of an order because items are out of stock. Analysis figures are available showing accurately all the time just what is happening in our business. That is what mechanized accounting does for us.”

This Machine System Would Suit Any Business

“Moreover, the system has not been changed to cope especially with the peculiarities of Macleans' business; it is one which, I think, would meet the requirements of any organization, and that is why the remarkable results are of such general interest.”

Macleans are, of course, the nationally-known firm of manufacturing chemists distributing a large number of proprietary lines, over 500 in fact, to retail chemists. They have about 15,000 customers who buy at frequent intervals and the majority of whom are credit customers.

In a field where competition is fierce,

they must have detailed analyses of their sales for advertising and marketing purposes and, of course, they have the usual accounting problems of producing statements and ledger sheets quickly and accurately but with a minimum of expense.

From
H. G. LAZELL, F.C.I.S.
Secretary: Macleans Ltd.
In an Interview

They are using the machines for practically the whole of their accounting system, including sales, purchases and general ledgers up to and including the trial balance, in addition to all the analysis work which naturally follows. The installation comprises four key punches, with a sorter and a tabulator, for it is the punched card system which is used.

The type of card is the small standard size having 26 columns, giving 286 punching positions, each to record some different fact or figure. The hand punches have been specially designed to enable automatic verification of the punching which is an essential feature of the system. Actually, two machines are used to punch the same information on each card, the first machine, instead of the usual circular perforations, makes half-moon perforations. By check-punching the work in the second machine, the half-moons are converted into circular holes by punching the second half-moon.

Rapid scrutiny of the cards after check-punching reveals any error, as

1. Ten thousand statements automatically balanced and dispatched in one and a half days.
2. 'Peak' periods smoothed out.
3. Enables a much closer and, therefore, more economical stock control of over five hundred lines.
4. 'Up-to-the-minute' detailed report of day-to-day business position.
5. Quicker and more accurate credit control.
6. Since installation of machines business has trebled; this is easily handled without increase in office staff or working time.

+

cards which still have a half-moon in them will be incorrectly punched. The sorter will select and group the cards as required, according to the information recorded by their perforations at the high speed of 24,000 cards an hour. The tabulator mechanically translates and prints the recorded information in predetermined order, totalling on suitable columns and striking a balance where required.

This machine is entirely automatic; the perforations in the cards control the mechanism which prints and, where necessary, adds and subtracts quantities, values, etc., at a speed of 80 cards a minute. Sub and grand totals and subtractions can be made and balances obtained automatically. The tabulator will print words and names at the same time as it prints and adds figures; its capacity being four self-contained units each capable of printing ten columns of figures or letters.

Purchases Day Book and Ledger Both Eliminated

A main feature of the purchases system is the elimination of both the purchases ledger and the day book. The procedure is briefly as follows:

All suppliers' invoices are marked with a code number, and two sets of cards are then punched, one covering individual items shown on the invoices and the others the total values of the invoices for the credit of the suppliers. Then both sets are tabulated and the totals compared in order to check the punching and incidentally the casting of the individual items.

The cards covering individual items are sorted and listed in order of accounts and in order of invoices. By this tabulation the auditors can verify the total purchases for each account and also

that invoices exist covering all the items. The invoices themselves are filed in code numerical order for easy reference by the auditors if required. Cards are then punched with the totals of each account for general ledger purposes.

Cards for stores purchases are sorted and tabulated by stores account no. and unit of quantity, thus producing both the total value and the total units of each class taken in during the month. These totals are then transferred by hand to the stores records. Finally, by punching master cards for each stores group, the trial balance figures are produced.

Dealing now with the purchase ledger cards, that is, the cards punched with the totals of each invoice as credits to the suppliers, all accounts for weekly settlement are extracted; these are tabulated and paid weekly. The remainder are held over until the end of the month and are then sorted,

together with any cards for cash payments or allowances, as to ledgers and suppliers. They are then listed on sheets, the tabulator striking a balance between credits and debits as each set of items is recorded. The suppliers' statements are then compared with the tabulated totals and with the cheques as they are signed. Thus a complete tie-up from invoice to statement and payment is obtained.

How the Code Number System is Checked

The problem in sales accounting by machine, where a code number is used for each customer, must be to ensure absolute correctness in the coding work. This is where the verification supplied by the check-punching system proves invaluable.

Each order, as received, is recorded on a 'customer's order and credit reference card'. The details are then extracted on to a draw sheet, i.e., the

instruction sheet for the factory. These sheets are made in duplicate. One copy goes to the show card department which gets together the display cards, etc., and sends them to the dispatch department. A second copy with customer's order attached goes to the factory stores for withdrawal of all items called for. All the items then go to the dispatch department where the packers make up the parcels from the customers' orders attached to the draw sheet. Thus a check is obtained that the goods are as ordered.

The second copy of the draw sheet, before going to the dispatch department, is passed to the addressing machine department, where the plate for each customer is extracted and a print taken on the back of the sheet, and also on labels for the dispatch department. After the goods have been dispatched the sheets go to the invoice typists who prepare the invoice sets

(Continued on page 33)



The problem here was lack of natural lighting.
The designers overcame it.

Opened last month by Sir Courtauld Thomson, K.B.E., C.B., the new Chairman of the Employers' Liability Assurance Corporation, these offices will house the corporation's West End business. Owing to the fact that the site comprised nearly all depth and very little width, the designers had to face a problem in that, while as much natural light as

One of London's Most Modern Small Offices

possible was needed in the offices, natural light fell only on the very narrow front.

The lower picture shows large expanse of glass in window and door in the front of the premises, designed to collect as much light as possible. To aid this, a small glass ceiling light was contrived in the roof and a small window in the back wall of the premises.

This back window lights the private office of the manager; but in order that this light should not be cut off from the outer office, the dividing wall was made almost entirely of plate-glass. This renders the manager's office soundproof and at the same time allows a maximum of natural lighting to come through to the desks in the rear of the outer office. The upper illustration shows this glass-dividing wall.

All interior walls and the ceilings of the premises are white, while the furniture, in a modern style, is of light, figured wood, the whole designed to reflect rather than to absorb light. The total effect has resulted in one of the best-equipped of the smaller offices which have recently been opened in London.



Further particulars of any item illustrated in BUSINESS will be sent in response to a request to the Editor

Mechanization in The Office

The views expressed in this article, read in conjunction with those given by the Engineering Employers (on page 7) as reasons for rejecting the Trade Unions' request for a shorter working week, are highly interesting. Dealing with the office side of industry and the application of modern machinery to it, Capt. Lyttelton quite independently endorses the Engineers' opinions as to the general effect of mechanization on employment.—Ed.

To-day in 1934 there are still many who attribute our troubles and industrial depression to the great ingenuity of the chemist, the engineer and the metallurgist, to the increasing use of

machinery and to our expanding power of production. Fundamentally, such objections must be quite fallacious. It is impossible seriously to maintain the point of view that the world can become poorer by increasing the range of its products and by reducing, in terms of effort, the processes by which they are brought into use.

These Ideas Are Entirely False

"Increased production and abund-

WHAT IT CAN AND SHOULD DO

By

Capt. O. LYTTTELTON, D.S.O., M.C.
Managing-Director, British Metal Corporation, Ltd.

ance—falling prices, unemployment, ultimately starvation."

"Decreased production and scarcity—rising prices and prosperity."

These are the economics of Alice in
(Continued on page 32)

This Desk Replaced Thirty-Five Ledgers

The margarine department of Lever Brothers found a good deal of difficulty in operating their filing and accounting system.

Some system had to be devised whereby four or five persons could work at the ledger files at the same time without getting in each other's way. Further, it was desired to find some method of arranging all the accounts

and statements together and keeping them up-to-date, so that at the end of the month the work of issuing the statements would not be three or four days behind, as frequently happened.

The desk illustrated here was the result of the joint efforts. In the centre is a movable table and chair, on the principle of a rowing seat, which is used by the supervisor of the accounts. In

the trays on each side are the ledger sheets and the statements. Each ledger sheet is filed with the appropriate statement.

Round the desk are arranged the accounting machines, so that there is the minimum distance between the files and the machines. The sheets are removed from the files by persons known as "pullers", and for every sheet removed another of a different colour is inserted, so that anyone who wants a sheet which is in use knows at once by the colour of the duplicate where it is.

When sheets are removed for the perusal of the managing director a second sheet of a special key colour is inserted, and as this sheet is never removed from the department, the destination of the first is noted on it, and initialled by the person in charge of the desk.

The main advantages of this desk are its concentration of all the accounts in one place, its fireproof nature which obviates the old necessity of conveying ledgers to a strong room each night, and its compactness—9,000 accounts are kept permanently on 56 sq. ft. of space.



Wonderland. We must absolutely ignore those people who say that the use of machinery—and by that I mean mechanization—can ever, in any circumstances, be a retrograde step.

When we rationalize our offices, I think there are several things which stand out in sharp relief. One is that we must not, as employers, by mechanization endeavour suddenly and violently to do with less men. We must rather allow increased volume to take up the unused capacity of our machines. In short, we must see that those who have some of their labours performed mechanically do actually benefit in terms of "unemployment of the 20th century", namely, leisure, rather than in terms of unemployment of the last century, namely, idleness with poverty.

In my own company we have ordered a very elaborate and not inexpensive machine which will do all the complicated accountancy which is necessary in a business with very diverse activities. On the face of it, it might be imagined that our sort of business, which has an enormous turnover expressed in terms of money but with very few customers, and which engages in every sort and kind of business, was ill-adapted for mechanization. It is quite true that we shall find ourselves with machines capable of performing far more work than we can ever give them, but we consider the subsidiary advantages so great as to make it worth while.

By Hand 2 Weeks ; By Machine 45 Minutes

I can give you one instance of the saving of labour. We have three clerks engaged part of every day all the year round in maintaining a check on the company's accounts, and after the 30th of December, when the half-yearly audit takes place, these three clerks do about a fortnight's overtime. The machine will do the whole of the work in about 45 minutes.

Now I do not think this is particularly striking when we consider what

machines will do in industry, but I do consider it is very striking when we think of the effect it is going to have on clerical labour as a whole, and I think there are certain reflections one cannot help making. They divide themselves into two parts—the duty of the employer, and the duty of the employed. As employers we must avoid solving the question in the terms of the 19th century. That is, more machines, less work, less men, unemployment and poverty.

We must try to solve our question in the terms of the 20th century. That is, more machines, less work—more leisure and more time to think. Once you get a machine to do something which was formerly performed by man, man is only going to maintain his place by using his brains to do the things which no machine can ever do and by using his spare time to increase his philosophy and enterprise.

Through Machinery Employees Should Become More Efficient

We want to take advantage of the opportunities the machine has given us not only for more leisure but for abolishing such anomalies as overtime. We all know that in our offices at 3 o'clock on a summer afternoon, when business is quiet, there may be 80% of the staff doing nothing. These conditions are going to be still more prevalent when Mr. Desborough's machine comes into my office, but I am going to see to it that 10% or more of my staff are able to get out to play golf. More leisure—that is the answer.

On the other hand, once the employer has fulfilled his obligations to the employed, the employed has obligations as well. The leisure afforded by the machine must not be employed solely in picking out possible winners at Kempton Park. Nor in the case of lady clerks is to be employed in reading about those neurotic young girls who end up by marrying their employers. Most of our lady clerks seize a novelette and plunge into these golden

dreams. No, the employed have an obligation, to use the time which the machine gives them in improving those parts of their minds—particularly the imaginative parts—which the machine can never replace. Once the detail work has been done for them, there should be concentration from a more philosophical point of view altogether.

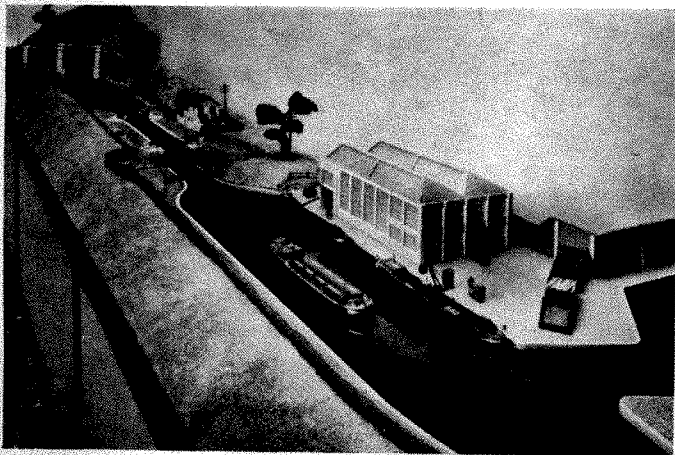
Air-Conditioning Makes Your Staff Work Better

Now I have only dealt with such things as office machinery, but there are other subjects. One of them is air-conditioning. In America, air-conditioning has already become part of office equipment. It is true that in this country the need for air-conditioning upon ordinary climatic grounds is not so urgent as in some countries, but even last year there were, I think, five or six weeks during which the efficiency of our staff was seriously impaired by climatic conditions. You cannot persuade me that a man working in a humid atmosphere, with beads of sweat on his brow, can do his job as effectively as a man working in a cool room. Nor can people work when they are shivering.

Air-conditioning will eliminate from the office, once and for all, noise and dirt. In our own offices in this country we are just installing an air-conditioning apparatus which will give us a complete control of temperature; complete control of humidity, and complete absence of noise, and I expect that the efficiency of our staff will increase very greatly as a result. This particular subject of air-conditioning is, I believe, going to be one of immense importance in this country. Although the subject is new, I would implore you to listen to it when someone is trying to sell it to you, in the most receptive way you can, because I am sure its development is going to be the coming thing.

[Extracted from an address, "Rationalization in Offices", given at the Luncheon Meeting of the Office Appliance Trades Association of Great Britain and Ireland on May 14th, 1934.]

WORKING MODELS HELP TO SELL THE GOODS



This working model, made for the Grand Union Canal Company, was constructed in less than four weeks by a well-known firm specialising in scale model making. It is 17 feet long by 4 feet wide and contains 9 gallons of water specially darkened by a chemical process to make it realistic. Part of the model is rural, and part is industrial, showing a typical canal-side factory and its loading activities. The makers have put a wonderful amount of detail into the work, from the gravel paths and telegraph poles to the two stationary boats (a motor boat and butty) alongside the lighted factory, being loaded with materials, raw and finished. But the part of the model containing the most detail is the lock itself. This is picked out in blue brickwork. The lock gates are made throughout in non-ferrous metal and the contact surfaces faced with soft rubber to keep the lock chamber watertight. The centre of interest is the motor barge which plies up and down the canal, passing through the locks and turning round at each end. The water level is automatically changed and regulated by a concealed pump and pipes beneath the water level. This actual model, scale $\frac{1}{4}$ inch to the foot, was used by the Grand Union Canal Co. at the recent British Industries Fair where the extraordinary amount of attention it drew amply demonstrated the power of well made working models to create interest in the product.

(Continued from page 30)

from the original order. The invoice sets are then checked, the name, address and customer number being called over with the addressing machine impression made on the back of the draw sheet. Thus name, address and code number are verified and the question of coding errors effectively dealt with.

Another interesting job carried out daily is the preparation from the draw sheets of pack analysis cards. These are tabulated to give the total units of each pack for agreement with the totals of quantities given by the daily sales analysis. Thus there is an absolute check that everything issued from stores is duly invoiced out. The pack analysis also enables the planning department, by the compilation of daily stock records for each pack, to control the preparation of the various kinds of pack, e.g., dozens, grosses, etc., so that when orders are received any required pack is unfailingly available.

In similar fashion to the purchases, two sets of sales cards are punched, one for items for analysis, the other of values for the ledgers. Each day's cards are sorted and totalled for purposes of agreement and a master card for each ledger total is made for control purposes.

Here are Sales and Stock Analysis

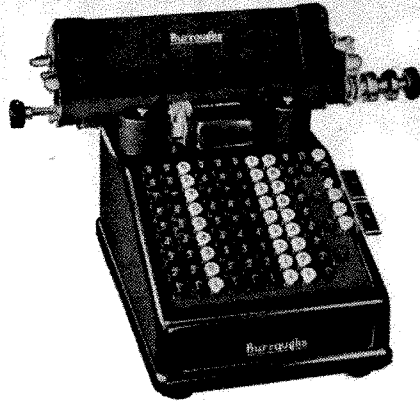
The first set of cards is tabulated also by line nos. and sales groups to provide the directors with a daily analysis of sales. At weekly intervals a further tabulation gives the results by travellers and commodity groups, the totals of which are used to prepare master cards from which the travellers' sales for the month and area sales are arrived at.

By tabulating these same cards in line nos. and applying standard cost rates the quantities and cost of sales figures for stock records are derived. Master cards are then punched for the finished stock and cost of sales totals for the trial balance.

Coming to the sales ledgers, we find equally striking innovations. No monthly balancing in the ordinary sense takes place; instead, a carbon copy of the statement is used to form the current ledger sheet, and each statement shows not only individual orders for the current month but also all outstanding items for preceding months. This eliminates the need for punching balance cards from 10,000 statements each month to supply the 'balances b/f' items; also it provides the customer with details of all his orders for which he has not at that time paid.

As cash is received each day, loose-leaf cash-book sheets are typed in triplicate, showing date, customer number, customer's name and town and cash paid. The top copy forms the cash-book; the third copy forms a bank paying-in slip and the second goes to the addressing machine. Here addressing plates are pulled for every cus-

(Continued on next page)



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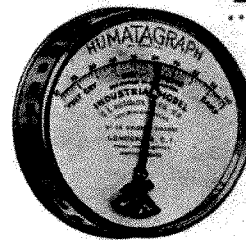
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(Continued from previous page)

tomer number shown on the sheets, and stamped on receipt forms. The sheets, with receipt forms, are then returned to the cashier who inserts amounts paid and affixes receipts to statements.

If a wrong customer number has been entered in the cash-book discovery is inevitable, because a receipt form will have been produced with a name and address different from any in the cash-book and for which the cashier will be unable to discover a customer's statement.

When cash has been agreed the top copy is passed for cash cards to be punched. These cards, when tabulated and agreed, are sorted and the sales ledger debit cards which have been cleared by the payment are abstracted from the files. When cash does not agree with any definite number of debits in the file, the girl puts the cash card into the tray and makes a note on a special list so that the credit clerk can investigate before the receipt goes out. This is also a final check on the correctness of customer numbers.

Gives Full Ledger History of Each Customer

After all cards have been pulled they are tabulated on special ledger sheets, which provide the full ledger history of each customer and, since debit and credit cards should balance, a check upon the correctness of the extraction work.

At the end of the month, the current month's cards are sorted in with the outstandings for each ledger ready for the production of the statement.

The statements after preparation are balanced by ledgers, of which there are 25. Each statement shows the credit and debit items listed, together with net balance. During preparation, however, the machine totals the debits and credits separately so that at the end of each ledger run grand totals of debits and credits are produced for agreement with the sales ledger control cards which have been punched daily. Any error so found is localized by this means to one ledger.

The sets of statements are then completed with name and address from the addressing plate, and as both plate record and tabulated particulars include the customer's code number a complete tie-up is obtained.

The originals go to the credit clerk, the first copies to the traveller for collection, and the second copies are filed as the ledger. In 1½ days the whole job is completed and the tabulator is available for sales analysis work.

Credit Control is much simplified

Before statements are posted the credit clerk goes through them, and according to the length of time items are outstanding decides what collection letters shall accompany them. The reference numbers and dates of these letters are entered on the customer's order and reference card, so that when

a new order comes in the entering clerk sees at once whether it must be referred to the credit clerk for authorization. As no details of cash received are entered on these cards, in cases where the Credit clerk has stopped the order pending receipt of cash a special "refer to credit" card is slipped into the customer's debit card file. The moment cash is received the girl withdrawing the debit cards then refers the whole of the cards to the credit clerk, who decides whether he can now release the new order which he stopped.

By this means, time-wasting reference to ledger accounts is avoided.

The 40-HOUR WEEK Rejected

(Continued from page 9.)

In these production costs no account has been taken of capital charges, dividends, debenture interests, interest on loans, etc., yet it can be seen that not once between the years 1923 and 1932 could the balance have absorbed even the 6 per cent increase.

The proven facts show that the industry cannot carry an added burden of 6 per cent, which the Unions suggest would represent the cost of reduced working. How much less then could it carry the true added cost which is demonstrated to be very much in excess of 6 per cent.

A factor which the Unions entirely ignore in their calculations is the time element. They assume that output per head will be reduced. Perhaps in a mass production shop gross output might be the same because of additional employees, provided there was additional equipment for them.

But all engineering shops are not, and cannot be, worked on these lines. There are countless individual jobs, generally important key jobs, which must be carried through by the individual who starts them. In a job of this kind which takes, say, four weeks, there will be added to the total time another 28 hours. Apart from the cost, it is not difficult to imagine the effect of this on delivery date.

Then there is "production capital". Manufacturers have a huge capital locked up in plant and equipment. Some 83 per cent of the annual average turnover of the industry is invested in this way. This money must be so invested to provide workpeople with the means of production. If it is worked 47 hours, obviously the industry gets more value out of it than if it is worked only 40 hours. Reserves have to be built up to meet repairs and replacements, but as production costs would be increased by the 40-hours week, there would be less money available for this reserve, which would actually need to be greater because replacements would cost more and the depreciation load in on-cost would be the greater for the less time worked.

AN ASSET TO ANY BUSINESS



During those rush moments when you require to be in ten places at once, that is when the DICTOGRAPH system of house telephones will prove your most helpful, rapid and efficient "assistant." Not only then, but at all times this unique instrument will truly be an asset to your organization.

INTERCOMMUNICATING—AUTOMATIC—LOUD-SPEAKING—The Dictograph Telephone System enables you—as Principal—by the merest flick of the key—to

1. Get through instantly to any departmental member of your organization, without turning a dial, calling Exchange, holding an earpiece, or speaking into an insanitary mouthpiece.

2. Talk naturally to him, without raising your voice and without moving from your seat or even from your usual attitude.

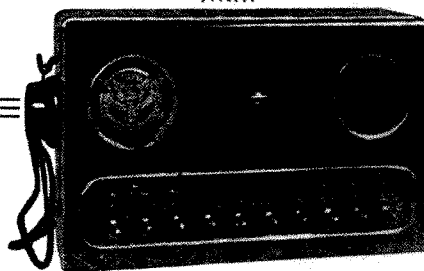
3. Hold a Conference between several of your departmental "heads" without anyone leaving his department "leaderless".

4. Hear their replies aloud through a loudspeaker as distinctly as if they were standing at your side. If you wish your replies to be for your own ear only, an earpiece is provided.

5. Retain both hands free to write or hold papers whilst you talk, or even walk about the room or dictate your letters.

6. Secure right of way in a polite manner over other conversations between your departments.

Can you afford to be without such conveniences in your business? It will cost you nothing to find out. We give free demonstrations in your own premises without charge or obligation.



DICTOGRAPH TELEPHONES LIMITED

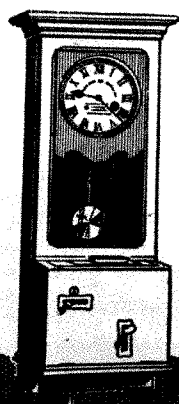
Head Office and Works:

AURELIA ROAD, CROYDON

London Sales Office: ABBEY HOUSE, WESTMINSTER, S.W.1

Telephone: VICTORIA 2714 (3 lines)

BRANCHES:—LONDON, MANCHESTER, BIRMINGHAM, GLASGOW, DUBLIN, BELFAST, LEEDS, BRISTOL, NEWCASTLE, CORK, Etc.



BRISKER BUSINESS

is the natural outcome of a cheerful Budget. Let us advise you on improved equipment for Time Checking to meet your needs. Increased punctuality and reduction of waste time is essential to promote efficiency and reduce overheads. Let us send Catalogues of these British made machines.

GLEDHILL-BROOK TIME RECORDERS LTD.
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Also suppliers of Time Cards, Wage Racks and Accessories.

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(Founded 1893. Registered under
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For 2d. a day a Youth joining at
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receive the sum of not less than
£522, in addition to which he
will have been covered for £1
per week when ill.

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BIRMINGHAM 13

will receive prompt attention



KEEP EVERYBODY HAPPY

How to Calculate Fair Bonus Payment

By E. A. BALLARD

Every employer knows how much a bonus at Christmas or holiday time is appreciated by his staff. He knows that nothing puts them in a happier frame of mind, or gives them greater zest to serve him to the best of their ability. But he also knows that unless careful thought is given to its distribution disaffection is likely to arise, certain members of the staff feeling that they are entitled to more than certain other members. That's human nature.

The most popular means of allocating the amount set aside is to give so much for each year of service. But that is a bad method because it means that the careless clerk who has managed to cling to his job somehow for five or six years, gets more than the brilliant young salesman who has only been with the company a year but who has given his job everything that is in him during the period. Yet it is difficult to take each case individually and to grade the amounts according to what each man is worth.

It is possible, however, to arrive at something like the worth of the individual, by taking both ability and loyalty into consideration. Ability must be judged by the amount of salary paid per week. Thus, the man earning £4 can be taken as being twice as able as he who only earns £2. Loyalty is governed by the years served.

To arrive at the exact amount that each member of the staff is to receive, the employer must first decide on the total amount that he is prepared to distribute and divide this by two. For the sake of easy calculation we will say that the total amount is to be £100. Divided by two this gives him two amounts of £50.

Next he must list his staff with their salaries and years of service as under:

Name	Ability	Loyalty
Smith	25/- per week.	2 years.

Jones	25/- per week.	3 years.
Robinson	30/- " "	3 years.
Brown	35/- " "	1 year.
Black	£2 " "	5 years.
White	£2 " "	4 years.
Green	£3 " "	5 years.
Gray	£3 10s. " "	2 years.
	£16 5s.	25 years.

Fifty pounds must now be divided, the total amount of money and the total number of years. This gives £3 1s. 6d. to be given for each pound earned and £2 for each years of service. Thus the individual bonus amounts would then be as follows:

Name	Ability	Loyalty	Total
Smith	£3 16 10	£4	£ 7 16 10
Jones	£3 16 10	£6	£ 9 16 10
Robinson	£4 12 3	£6	£10 12 3
Brown	£5 7 7	£2	£ 7 7 7
Black	£6 3 0	£10	£16 3 0
White	£6 3 0	£8	£14 3 0
Green	£9 4 6	£10	£19 4 6
Gray	£10 15 3	£4	£14 15 3
	£49 19 3	£50	£99 19 3

These figures, of course, have just been taken at random. It is unlikely that so large an amount as £100 would be available for division amongst a staff of eight. But the fairness of the method is apparent. The clerk, Black, who has drifted along for five years still earning his £2 a week, gets less than Green who has been with the company as long but has earned more money by his greater ability. Brown who has only been employed for a year gets about the same as Smith with double the service but less ability.

The great advantage of this scheme is that it encourages the newcomers and also peps up the old stagers. Any other method must leave one or another dissatisfied.

Ask Yourself—

Many traders, in these days of keen competition, could much improve their own personal value by a little self analysis.

Ask yourself these questions. But do not dodge the answers or the little catechism will be worthless. Be perfectly frank with yourself and you will probably find infinite scope wherein to improve the business value of yourself and stimulate yourself generally:—

1. Is My Time Organized?

Do I attend to the big, important things, or do I fiddle about with unimportant details which could be better done by my assistants?

2. Do I Rely Too Much on Regular Customers?

Am I inclined to wait for business to come to me instead of using initiative to attract it, to raise my number of regular customers and to get increased casual trade as well?

3. Do I Rely on Old Sales Arguments?

Am I aware that the old hackneyed, meaningless remarks on price tickets, such as 'Cheap', 'Good Value', 'A Bargain', etc., do not sell goods to-day. Do I *know* my goods and their uses; do I talk intelligently about them? Do I imagine myself the customer and talk partly from that angle?

4. Are My Stocks as Low as Possible?

Are my stocks of every line right down to minimum, or have I money needlessly and unprofitably tied up in slow or non-movers? What can I job off and so release capital with which to buy more profitable lines?

5. Are All My Risks Covered by Insurance?

Shall I one day be caught badly in expenses I did not dream would involve me? Why not discuss it with my local agent?

6. If I Entered My Own Shop as a Customer How Would It Impress Me?

Would it please or depress me, the lighting, layout, comfort, courtesy, convenience? Are the goods easy to see, to examine and to buy? Are my assistants helpful or merely automations? When I go out of it again do I carry the impression: "That's a nice shop, I'll go there again?"

7. How Do I Re-act to a Bad Day?

Do I grouse unduly about it and thereby upset the morale of assistants and everyone around me? Do I seek the real reasons for the bad days and try to find remedies, if only partial ones?

Loosening a Screw with Scissors

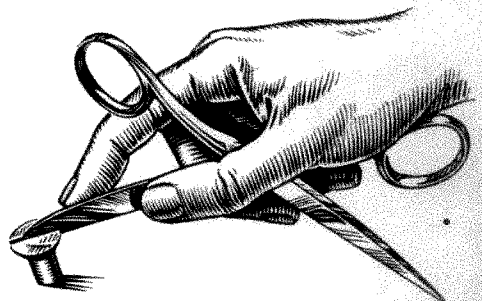
Is a clumsy job at the best. Scissors will not work like a screw-driver.

In the same way inadequate inferior office furniture will not work like uniform equipment made for its job.

There's money for you in that thought. Let us develop it for you.



Send a card for this **free** Booklet 507—a treatise on office efficiency.



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LIMITED

Standardized Office Equipment

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YOUR OFFICE BOY CAN BE YOUR BEST SALESMAN!

GETTING the utmost in sales from every enquiry that comes into your firm and from every name on the books, by accurate sales records and inexpensive mailing—that is the job your office-boy or typists can do—with the A.1.

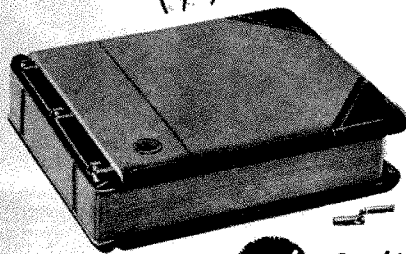
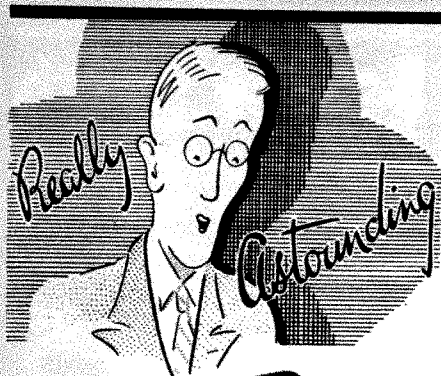
This modern method incorporates a complete sales record with a permanent address stencil—ensuring 100% accuracy, adaptable to all needs, and so straightforward that it can be worked by unskilled labour.

Booklet **FREE**
by return.

ADDRESSALL INDEXOGRAPH

COMBINED RECORD - INDEX ADDRESSING

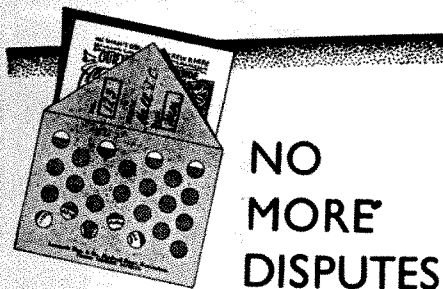
ADDRESSALL MACHINE COMPANY
TELEPHONE: HOLBORN 3571/2 266 High Holborn, LONDON, W.C.1



From **462** Complete
LEDGER INDEX
& 100 SHEETS

*That's only one of a remarkable range
I'll keep the Bravon catalogue!*

IT CAME FROM THAT "FACTORY-IN-THE-FIELDS"
THE BRAVON LEDGER CO
GREENLAND MILLS
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WILTS
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DISPUTES
ON PAY DAY**

BUSINESS houses are eliminating unpleasant wage disputes by employing LANCASTER'S NEW PAY WALLETS—the really efficient pay envelope. Employees can check their money—even handle their notes, without extraction and without tearing the wallet. In case of a mis-count, wages can be easily checked without opening, the sealing being absolutely secure and permitting of wages being made up and sent any distance without risk.

Yet LANCASTER pay wallets are with practice speedier than the ordinary transparent envelope because notes need not be folded.

Free sample Wallets
and Prices on request.

LANCASTER BROS. & CO.

Cash Bag and Envelope Specialists
Shadwell Street
Birmingham 4

Can You use this Sound Film Service?

When silent films were at the height of their popularity as public entertainment, it was inevitable that the same medium should also be used by enterprising firms as a supplementary means of propaganda.

No great technical difficulties lay in the way of producing these silent publicity films, and as a consequence they appeared in great numbers.

When sound films came along and completely monopolized the market, the problem for the business man who wanted to make use of films was made vastly more difficult.

Not only was the production of sound films quite beyond the capabilities, both in cost and technique, of anyone but the expert producer, but the public as well had conceived a dislike for the practice of insinuating propaganda films of any sort into programmes of entertainment.

An entirely new method of dealing with this question of publicity films was therefore developed.

First, because none but experts could properly produce commercial sound films, there arose new specialists for this purpose.

Secondly, because the public did not react well to the old practice of squeezing commercial (advertising) films into their entertainment programmes, there was created the non-theatrical sound film.

Briefly, the procedure, which is one of the latest services to business concerns, is as follows:—

For any business man who wants a publicity film the manufacturers of sound film apparatus are prepared to draw up suitable scenarios and give advice generally in regard to the film.

Production is in the Hands of Experts

The apparatus manufacturers, however, do not themselves make the actual film. This job they hand over to a proper producer to complete, though maintaining with the producer a continuous contact in order to watch the client's interests in every way.

When the film is made and approved by the client, the apparatus manufacturer again steps in and hands the film to one or more of its agents for distribution.

There are sixteen of these agents, one in each of the areas in which the country has been divided for the purposes of distribution.

These agents attend to every local detail. They are in touch with all the clubs and societies in their territory which are likely to be interested in films, and they know exactly how to reach the type of audience in which the firm exhibiting the film is interested. Programmes are arranged centrally, so that the advertisement is given what might well be termed adequate cinematic lay-out, and the agents can judge with fair accuracy the results likely to be attained from the exhibition of any film, for they have acquired much valuable data in their activities up to date.

A film advertising a famous brand of cheap cigarettes, for instance, has been shown to working men's clubs all over the country, while another dealing with the manufacture and performance of one of the most expensive makes of motor-cars has been shown in motor showrooms to selected audiences of customers and

(Continued on page 40)

PLEASE CUSTOMERS BY USING GUELPH CASKS

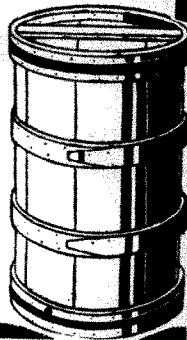
Customers are pleased when goods arrive in GUELPH Casks, for they find them in perfect condition, unaffected by the journey. Strength and elasticity are assured by the special construction of GUELPH Casks, and in the 400 sizes there is one to meet almost any packing requirement. Ask for a quotation.

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Also at MANCHESTER,
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*Does your letter-
heading pull its
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IT ARRIVES unheralded—perhaps uninvited
Just a letter—and one of many. But it is
as much your representative as your star
salesman.

It must carry your message—AND imply
the high status of your organization. It
must indicate your ability to fulfil the trust
with which you hope to be invested.

Just a sheet of paper, but it may be standing
between you and more orders. See that
yours is not letting you down.



● We are specialists in the
design and printing of Letter
Headings. May we advise you?

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Printers and Die Stampers
Carlton St., NOTTINGHAM

NEW BOOKS

For The Business Man

Economy and Control Through Office Method, by E. W. Workman, B.Sc. (Pitman, 7s. 6d.)

The Vee System of business control through planned office methods, described in this book, consists of a combination of ideas and methods governed by definite principles of design and limits of variation. The book is written in non-technical language, and the system is sufficiently general to apply to most manufacturing and wholesale concerns.

The complete clerical machine thus evolved is the outcome of the author's twelve years' work in reorganizing the routine of a wide variety of works and offices. The work was conducted in undertakings of all sizes, and covered a large range of industries. It included such varied subjects as finance, accounting, costing, selling, production methods, works and office planning, and the details of office routine. The wide experience thus gained resulted in the development of the system, and it has been proved by practical test to give rapid and complete control of every activity of a business. It can be installed with very little expense, and operates with a considerable economy in staff requirements.

The book fully shows the details of the working of the system and the best methods of its installation. It combines efficiency with economy of operation. The requirements of accountants, auditors, departmental managers and directors, as well as the general public who are to be served, are kept in mind. The work is of great interest and practical value to all directors, managers, and executives who wish to increase profits by reducing overhead expenses, and who are seeking to improve the control of every activity.

International Combines in Modern Industry, by Alfred Plummer, B.Litt., M.Sc. (Econ.), etc. (Pitman, 7s. 6d.)

This book is the result of wide research. It breaks new ground in economic considerations. Dr. Plummer deals with the economic principles involved in the formation of international trade combines, and shows why they have become an important factor in modern industry. He also traces the historical development of these alliances, discussing in detail the combines made since 1828.

The production of this work occasioned most vigorous research into official publications, including those issued by the League of Nations, to ensure the correct presentation of facts for the benefit of the student and industrialist. The task of tracing the remarkable ramifications of international combines of all kinds was made difficult by the paucity of materials and records from which information can be drawn. The book discusses all the important

aspects of the subject. History of the movement, types of international combines, aids and incentives to formation, obstacles, tariffs, tendencies and future prospects, are only a few of the matters with which it deals. The complete work, we think, represents one of the most scholarly and comprehensive books available on this topic.

Australia as Producer and Trader 1920-1932, by Nancy Windett. (Oxford University Press, 15s.)

The author traces the development, during the fateful post-war years, of Australia's main primary and secondary industries against the extensive background of Pacific trade, and the still wider background of British Imperial and world economic conditions and relations. She examines in detail the competitive position of these industries in relation to those of other countries, and discusses future prospects of expansion.

The chapters on the principal manufacturing industries are designed to show the effect of changes in the customs tariff and local conditions of production upon such factors as output, consumption, and prices; trade with Great Britain and other countries; the competitive position of the primary industries; and the present economic situation in Australia.

(To be followed by volumes on Canada and New Zealand.)

Sales Managers' and Population Map of Great Britain. (Geographia, cloth mounted with roller and slip, 45s.; mounted on wood, framed in oak 63s.). Britain's population is moving; the last census shows considerable changes. Every sales manager or sales organizer should make himself acquainted with this new distribution of population, as it means that representatives' territories and agents' areas need revision.

Sales managers of to-day want to know the populations each of their territories embrace and make their arrangements accordingly. These maps provide these vital facts.

Cost and Production Handbook, Edited by L. P. Alford, M.E., Dr.Eng. (Machinery Publishing Co., Ltd., 35s.)

In the 1,500 pages of this most comprehensive book there is practical information on almost every phase of industrial operation. It is the first major work to combine the two all-essential aspects of cost and production which merge them the single objective of *producing a product to a cost*. Everything presented is based on actuality and is from the practice of representative companies and the experience of successful executives and managers.

Converting a Business into a Private Company, by Herbert W. Jordan. (Jordan & Sons, 1s. 6d.)

Tobacco, by A. E. Tanner. (Pitman, 3s.)

(Continued on page 40)

ECONOMY AND CONTROL THROUGH OFFICE METHOD

By E. W. Workman, B.Sc. (Lond.)

This book describes a carefully thought-out system of office organization methods, evolved during the author's intimate association with the reorganization of a wide variety of works and offices. The adoption of this system gives complete and rapid control of every activity of a business. It has been designed to a stringent specification of efficiency and can be installed at little expense in all types of businesses. 104 pages, **7/6 net**

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These Outfits meet the increasing demand for a simple and efficient apparatus by which the merest novice is able to produce the most ARTISTIC WORK with real ECONOMY!

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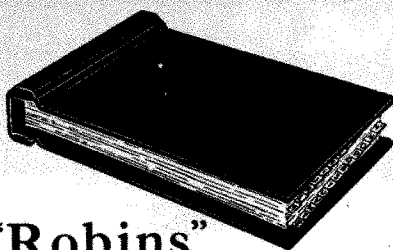
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The "ROBIN" Looseleaf Book System is the ideal method of keeping business records.

Instant reference can be made to any leaf.

Any indexing may be used.

"Dead" leaves can quickly be replaced with fresh ones.

Easy to handle—inexpensive to instal.

Shall we send you a "ROBIN" Book on approval?

One "ROBIN" Looseleaf Book with A-Z index and 200 leaves ruled stock record, feint, cash or double ledger, sent on seven days' approval, for 9/6 post free.

Ask for our catalogue of looseleaf books and office equipment

J. W. Ruddock & Sons
LINCOLN

and at 3 Old Jewry, London, E.C.2

Can you use this Sound Film Service?

(Continued from page 38)

prospects who were only admitted on the production of a special invitation card issued by the exhibiting firm.

In each case there was a complete programme; the former took the form of a few sound cartoons, a straight advertisement film, and a "thriller", in which the advertisement motif was worked with great subtlety, and in the latter case, a highly-sophisticated film with Lady Tree in the main role was exhibited. In both cases the films were technically excellent, and double projectors were used, so that there should be no waiting while the change was being made from one reel to the next. Professional efficiency was maintained throughout, a fact which counts for everything if the effectiveness of a commercial film is to be put over.

The advantages of this type of advertisement are obvious. First, is the fact that the film can be suited to the audience; next, the audience is selected, and those people who are good prospects are alone catered for. Finally, and most important, the audience is obliged by the very nature of the exhibition to concentrate on the advertisement, while at the same time the presentation of a really efficient cinema show appeals to that most deep-rooted of human failings, the desire to get something for nothing; and in this way, even though actual sales may not be immediately increased, a tremendous volume of goodwill is gradually built up by the exhibiting firm.

NEW BOOKS

(Continued from page 39)

The Six Laws of Business Success, by Herbert N. Casson. (Efficiency Magazine, 5s.)

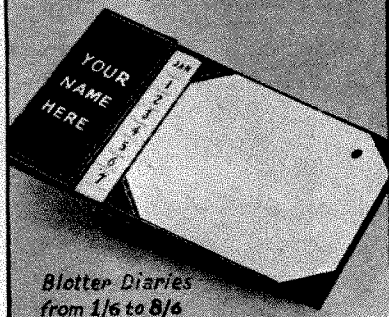
By taking as a basis Darwin's great book "The Origin of Species", Mr. Casson has turned out a novel contribution to the business man's library. He points out that the same laws that made plants and animals survive are operating in the business world to-day. There are certain causes that make a business succeed.

The Nine Magazines of Kodansha, The Autobiography of a Japanese Publisher, by Seiji Noma. (Methuen & Co., 10s. 6d.)

At a time when the world is curious about modern Japan, the autobiography of Seiji Noma comes of special value. Noma occupies a front position in the field of publishing in the Far East—his magazines have more than a million circulation apiece and he also directs a daily paper. Book One deals with Noma's youth, before he entered the publishing field, and from the point of view of readers who are more interested in publishing and the conditions of commercial success Book Two might well do to begin with. Another interesting feature is the account of Noma's relations with his staff.

The Spanish Student's Glossary of Idioms, Colloquialisms, etc., by Robert L. Howlett. (Edward O. Beck, 1s.)

Reminding the Buyer
daily of your Firm



Blotter Diaries
from 1/6 to 8/6

HARPER
Advertising Gifts pay!
Write for list of suggestions
D. HARPER & CO. LTD.
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250 - 17/6
500 - 29/-
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To BUSINESS Service Department, 6 Carmelite Street, E.C.4

Please send, without obligation, more information in connection with advertisement (or advertisements) in the JUNE, 1934, issue of BUSINESS numbered below.

Numbers (see Index page 5).....

Firm

Address

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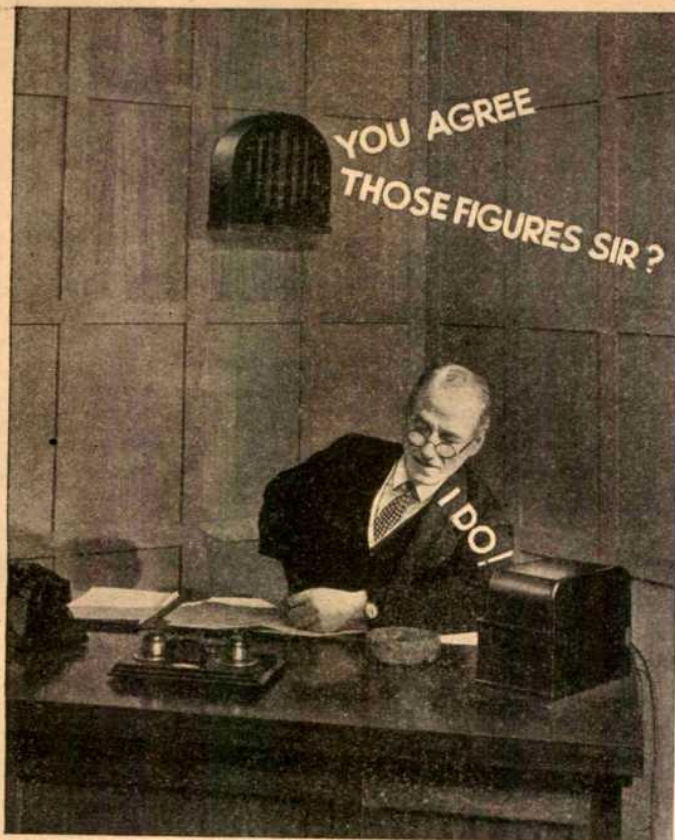
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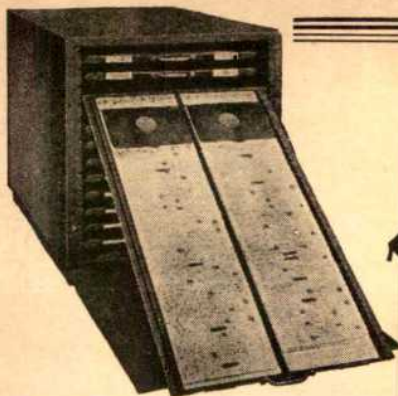
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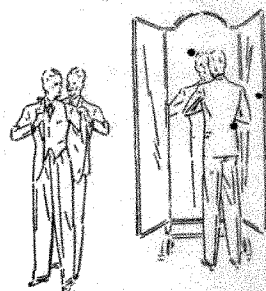
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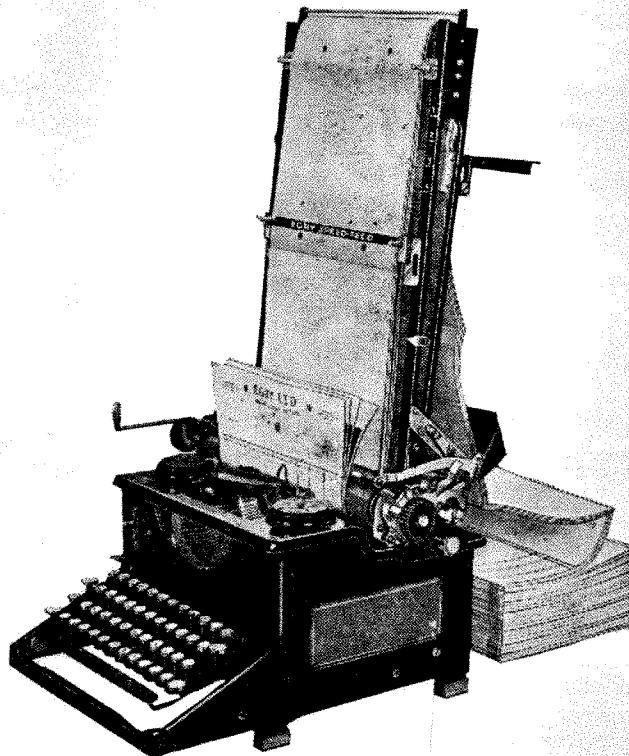
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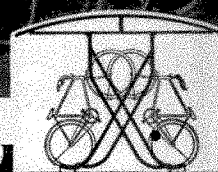
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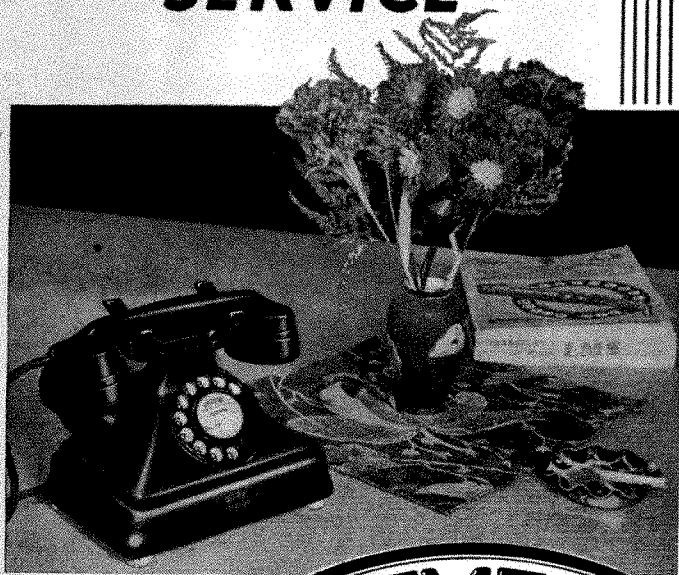
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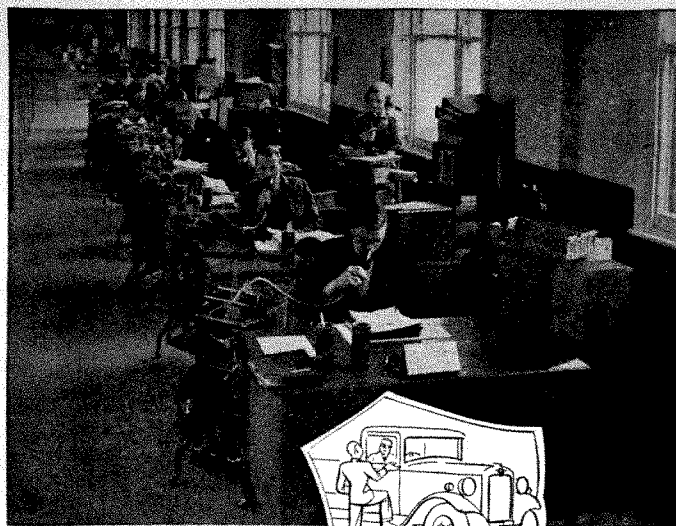
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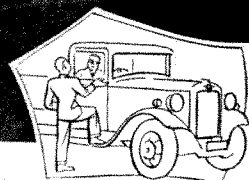
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BUSINESS

MANAGEMENT • CONTROL • POLICY

Do You Use *a System of* **Planned Maintenance** *To Reduce Manufacturing Costs?*

In a great number of manufacturing concerns, maintenance and repair departments are still allowed to operate with surprising neglect by the executive management.

There are several reasons for this: Maintenance represents overhead, and everything spent on it is generally begrudged by the higher management. Further, there frequently exists a certain antagonism—restrained, but none the less real—between the actual creative and productive departments, and the maintenance services. This antagonism arises because on the one hand the productive people believe that work done by the maintenance shop is always completed too late, while the maintenance people feel that the productive departments abuse their equipment, and invariably neglect until the last moment to call in the maintenance services.

It may be true that the very existence of the maintenance department represents an expense that is at best a necessary evil, and which should be kept at a minimum. But the neglect of maintenance in a factory

aimed at in an intelligent organization of the maintenance and repair services:

1. To provide maximum accommodation to the productive departments, reducing to a minimum halts in production, subnormal output of machines, etc.
2. To establish sound, logical relations

This is a subject much neglected by higher Executives who think it sufficient to leave the responsibility with foreman and works managers. Yet this scheme of cutting costs by PREVENTING break-downs and hold-ups should be PLANNED AND SUPERVISED FROM THE TOP.

By

CHARLES HÉRANGER

of Wallace Clark & Co.

and periodical inspections, eliminates many repairs. This phase of maintenance greatly reduces the calls made on the maintenance department, and is the surest way of reducing the cost of this department to a minimum.

To give the best service to the production side, maintenance must work fast and well. To do this the maintenance department must plan; it must know exactly *what* work is to be done; *when* it must be done.

It is Vital that Instructions are Specific

If the executive will think of this in terms of his own factory's experience he will realize how rare it is that the maintenance service is accurately informed of the work it should do on any specific job. Because of this the maintenance chief must often assume a greater responsibility than is properly

Date issued -----	Order No. -----	Charge No. -----
DEPT. -----	REQUESTS BELOW REPAIRS BY ----- (Date)	
Mach. Type -----	Mach. No. -----	
Signed: -----		
Above repairs will be done on order No. ----- and finished by ----- (date)		
Signed: Maintenance Supt. -----		
REPAIR ORDER		

Fig. 1. To have repair orders clearly and accurately stated on a standard order form is one of the essentials of intelligent maintenance service

In cases where an agreement as to time cannot be reached between the foremen of the producing departments and the maintenance head, the latter must submit the question to the higher factory management.

At this point, may be raised the question of unforeseen breakdowns. When the introduction of rational methods in maintenance is brought up in a works, almost invariably the maintenance personnel is sceptical and asks: "How can we lay out a schedule

that will mean anything, since by the nature of our job it may have to be changed every day and is likely to be upset by sudden accidents in the production departments which cannot be foreseen in advance?"

Nothing is more misleading than this point of view, unfortunately too common. Accidents (the importance of which has been exaggerated by daily routine in the eyes of the maintenance heads) can be reduced to a small matter if the work of the maintenance shop and

its relation with the productive departments are rationally organized. When emergency repairs are frequent, it is a sure sign of inadequate inspection and overhauling, *i.e.*, of insufficiently-planned maintenance.

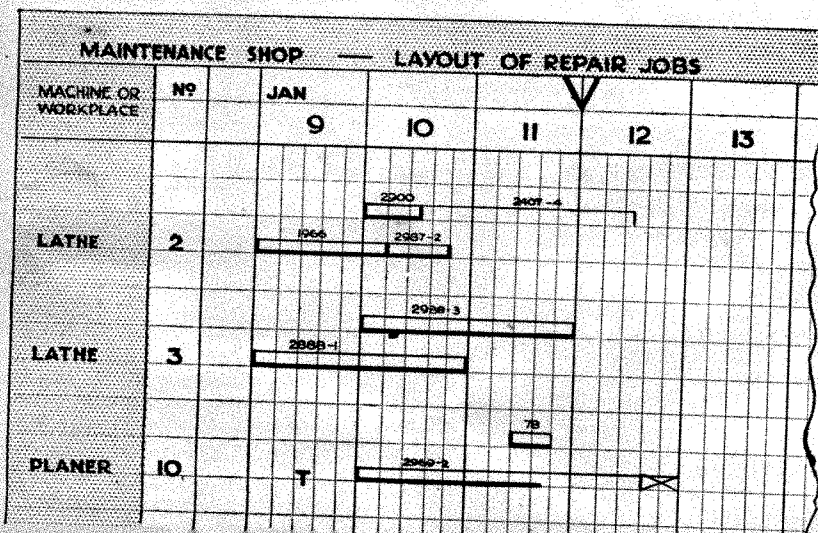
Planning in a maintenance department must refute two further objections: "It is impossible to introduce planning methods into a department where there is infinite variety of work of a non-repetitive nature," and "It is impossible to delay the start on urgent repair jobs in order to conform with the planning system. Urgent work must always be put under way at once."

These objections are based on misunderstandings. Planning in the workshop means predetermining the best technique of doing the work, preparing the inflow of materials and supplies needed, and providing for the rapid progress of the work by reserving at each machine or work-place throughout the shop the time needed for the operations on that job. Although no two repair jobs may seem exactly alike, each can in reality be broken down into one combination or another of a relatively small number of operations. Under such an analysis, the "one best way" to do the job is readily seen and it is easy to schedule at the start the desired advance of the work through the shop.

When will That Repair be FINISHED?

The progress of the job is scheduled as rapidly as is permitted by available conditions. Planned thus: the item to be repaired follows a rational course through the shop, without unexpected delays, and is more quickly completed. The time when the job is finished is more important than that at which it is begun. In place of a perpetual pell-mell of 'rush' repair orders, each started at once and finished late, is substituted an orderly flow, each repair being completed in the minimum time. The planning is done on a single layout chart, see fig. 2.

When a true rush order then arrives the planning of the other orders is not upset. On the contrary, a brief study of the schedule shows clearly what can



These Ideas Are Saving Time for Other Executives

Welfare Cuts Costs

"Staff insurance and general welfare I do not regard as merely idealistic, but as definitely important departments which reduce to a considerable extent the overhead costs of a business."

Chairman of a Famous Motor-car Manufactory.

Avoids Mail Room Rush

"Our mail-room staff rarely finished work before 6.45 p.m. Investigation showed that executives throughout the building delayed signing their letters until towards the close of the day, thus congesting the mail-room. We instituted the plan of sending round a messenger to leave a special basket on each executive's desk at 4.15 p.m. Each basket bore the notice: 'Please put in here letters for to-day's posting. This basket will be collected at 4.45; letters not included will be refused by the postal department for to-day's posting'."

"This plan had very good effect; it cleared early all letters except urgent exceptions about which the various executives concerned could always make special arrangements."

"The secret of the success of such a plan as this is that it *must* be carried through. No slackness must take place which would create the impression among the executives that the final 4.45 collection was merely an empty threat and that they could really get their letters through at any late time if they wanted to. Our senior postal clerk had my full backing in his refusal to accept late letters that could have been sent through to him earlier."

*Office Manager,
Speciality Selling House.*

Orders Only

"My salesmen in the field are never burdened with clerical work. They do not have to submit reports and alibis about the day's or week's work. They stand or fall by the signed orders they secure. We do good business this way."

From a Sales Director.

Complaints Help to Sell

"No matter how well a product for general use is designed or manufactured there are bound to be many people who can find faults—probably quite genuine faults—with them. We have a very large mail every day and among it is almost invariably some letter of complaint."

"We recently examined all our 'complaints' letters received during the last two years. We classified all the faults and objections raised and got our technical staff to draw up proper explanations, reasons and replies."

"All this information we arranged into booklet form and printed it on the office printing machine. To every salesman in

the field we sent a copy, with instructions to study it and thus become better equipped to deal with customers' and prospects' objections."

"Within two months salesmen wrote telling us the 'complaints booklet' was one of the best sales aids they had ever been provided with."

*Sales Director,
Household Appliance Concern.*

Staff Test Our Products

"The products manufactured by this concern sell to men. We arrange for all our male staff to use the products regularly in their homes. In this way we get tests carried out by some 300 different

people who represent types of the general public who are our customers. Through this form of test we have much more quickly been able to discover where we can alter and improve the products for our customers as our staff are encouraged to discover all the 'snags' they can and to suggest improvements. We have a scale of awards for every improvement suggested by the staff and accepted by us."

*Managing Director,
Razor Manufactory.*

Everybody Learns

"We have no permanent staff in our postal department. The eighteen younger members of the general office staff take it in turns, three each week, to deal with in-coming and out-going mail. In this way every junior learns thoroughly the principles of one of the basic factors of business—how to deal with the mail. Secondly, we find that by having a fresh staff each week the young workers do not become dulled by the monotony of the routine."

*Secretary, Carton Making
and Printing Firm.*

There's NEW Business In These New Products

THE first seven of the following items are new products of Canada, mentioned by "Marketing" of Toronto. They may provide ideas for Home manufacturers:

Rubber enamel, real rubber as a constituent of the enamel is being produced by a Toronto paint firm. The product is quick drying and especially durable for outdoors.

A special device enabling anyone to sharpen his own lawn mower without dismantling the machine is having a big sale.

Cod liver oil in powder form is being introduced into chocolate bars. It is also said to be successful in ice-cream, bread, pastry and peanut butter. A special process first removes all taste from the oil without impairing its vitamin value.

Cigarette-vanity cases holding loose powder and cigarettes is a new novelty in the women's trade.

Another new toilet powder container is on the lines of the old insect-powder bellows fumigator. The new container is a new fumigator. The new container is a cellulose material tube, when pressed it projects a fine spray of toilet powder through a small nozzle.

Rose cuttings are being sold in cans. Sprayed with hot paraffin wax and packed in air-tight containers, it is claimed that the cuttings are not affected by months of storage, travel or rough handling.

A nail polish firm supplies a colour tester. The fingers are placed on a rest. Immediately below is a revolving disc bearing colours of the polishes. The customer, by turning it, can see how each shade would look on her nails.

A safety razor incorporating a powerful magnet in the handle to pick up blades without risk of injury to the fingers is being marketed by a Sheffield firm.

Warning or signal bells and other sounds can be time-set and controlled automatically from A.C. mains through a device marketed by a well-known manufacturer of synchronous electric clocks. This is a device for factories and all large organizations.

The silent, smokeless steam lorry is here. It was in a parade which, last month, demonstrated before the Minister of Transport in London. The vehicle had already run 20,000 miles on creosote without overhaul.

Other lorries demonstrated were run on compressed gas, coal-petrol, heavy oil and "self-produced" gas, all generated from the products of British mines.



*This is a Personal Catechism :
How do you Answer the Questions ?*

How To Keep

To an even greater extent than a superlative product and maximum sales, the factor of properly balanced finance controls the success of a business undertaking.

Excessive capital and insufficient capital are both dangerous—or at any rate bad—conditions. The first imposes an expensive drag on the company's profits; the second, well, it can introduce so many restrictive conditions which prejudice trading that it would be impossible to schedule them all. Let it be sufficient to say that it is a highly dangerous condition and one not to be tolerated by experienced business men.

Between these two limits the finance may be adequate in itself, but it may be badly applied.

Upon the secretary, the accountant,

the managing director, or whoever is directly responsible for the control of the finance, therefore, exists a heavy responsibility.

The modern tool of financial management is the "budget", which is becoming increasingly recognized as an essential method of control, as much in the small as in the large concern.

Capital Must be Fully Employed, but LIQUID

But quite apart from the budget there are many matters of prime importance which the financial controller of a business must understand thoroughly and must organize. He must keep finances liquid yet employed in the fullest and most profitable manner. He must balance this employed and liquid finance against the company's requirements and commitments both for the immediate present and the future. He must consider stocks, production,

sales, turnover, plant and other capital expenditure, collections, investments, profits. He must know not only their immediate significance but also their *trends*. He should endeavour to ascertain how these items in his balance sheets compare with the balance sheets of others in his own industry, so that he will realize how his company stands in relation to competitors.

A maximum rate of turnover must be maintained, obsolescence in plant and stock must strike the happy medium of suiting both the customer and the company, and, above all, he must ensure that the company is never so placed that it will be seriously hit by a sudden emergency.

Here are some points, the checking of which serve as a guide to the financial man in almost any business. He should be able satisfactorily to answer all the questions as they relate to basic matters about which he should have information:

WORKING CAPITAL

A. The Budget

1. Do you use a budget that shows at all times the amount of working capital needed?
2. Whether your budget forecasts monthly, quarterly or yearly ahead, is the period that which gives the best results with a minimum of attention necessary to the detailed running of the scheme? The budget is not a good one if it involves a lot of clerical labour and time.
3. Does the budget work in well and easily with the staff? This is essential. It is fatal to the scheme to have the staff chafe against budget conditions.
4. If the budget provides for a loss, is there an ample capital reserve to maintain unimpaired credit?
5. Is the budget sufficiently flexible to permit deviations from its figures where necessary? e.g. to provide for capital expenditure, and replacement of obsolete fixed assets?
6. Have you absolute control over proposed departures from the budget before the departments actually commit the company to them?
7. Are the departments or individuals constantly followed up to ensure that they are running within budget allowances?

8. Do you budget for petty cash and small disbursements as well as for the larger commitments?
9. Are you constantly informed of the comparison of actual figures with budget estimates?

B. FINANCIAL POLICIES

1. Are all sources of available funds for working capital fully appreciated?
2. Are they utilized?
3. Do you guard against unwise conversion of working capital into fixed assets?
4. Do you ascertain regularly whether there exist inactive assets that should be converted into cash?
5. Do you use any surplus cash that may come to hand from time to time for the purpose of reducing bank loans and thus reduce interest charges?
6. Do you guard against tying up too much capital in cash, an unproductive asset?
7. Do you write off the fictitious assets within a reasonable time?
8. Is the dividend policy correct?
9. Have you considered if a change of interest rates and dates is advisable?
10. Do you set aside reserves of cash for the replacement of plant, machinery, etc., when worn out, etc.?

By R. F. SHEPPARD, A.C.A., A.S.A.A.
Chartered Accountant

Balanced Finance

11. Is full use made of commercial credit instruments?
12. Have you considered fully the use of finance houses, discount houses, bill brokers, etc.?
13. Do you use instalment and/or hire purchase selling; if not, would it be an advantage to do so?
14. Is your instalment and hire purchase selling financed in the best possible way?
15. Is your working capital large enough to take care of increased sales volume resulting from instalment selling?
16. Is cash sufficient to take care of bills, hire purchase contracts and guarantees of debts sold to finance companies?
17. Do you examine the possibility of shortening the terms of sale so that less working capital will be required?
18. Is your working capital sufficient so that you could lengthen credit terms without hampering operations?
19. Would the granting of discounts or giving more liberal discounts reduce extended credit?
20. Have you reviewed the methods of payment to creditors?
21. Do you obtain maximum cash discounts by prompt payment of your suppliers?
22. Will postponements in payments impair credits or prestige or lose discounts?
31. Are stocks periodically reviewed with particular regard to obsolescence or deterioration?
32. Have you a stores (raw materials and finished products) control?
33. Is the cost of this stores control economic to size of business?
34. Is your stock justified by present turnover?
35. Does the system of production control prevent the possibility of tying up too much working capital in stock?
36. Are finished goods stored in excess of requirements?
37. Is the credit of the company at its bank all that it should be?

Excessive Stock is a Point Frequently Overlooked



You may have facts and figures presented to you, but do you read their full significance, do you appraise the true relationship of items one to another?

The Matter of Insurance is Important

23. Would the death of any executive seriously affect your working capital?
24. Are you protected against this by adequate life insurance?
25. Are you fully covered by insurance so that any discontinuance of operations will not cause a dangerous drain on working capital?
26. Do you analyse the book debts constantly to determine their liquidity?
27. Are investments closely watched?
28. Are the reserves in a sufficiently liquid condition to provide for contingencies without jeopardizing current operations?
29. Do you have a policy to prevent your working capital being handicapped by excessive drawing on account of salary, commissions, etc.?
30. Do you guard against abnormal personal expenditure?
38. Are sufficient open lines maintained to prevent the company being handicapped if a bank asks for payment?
39. Have you investigated the possibility of re-financing your current obligations?
40. Have you considered the desirability of receiving professional services (i.e., solicitors, accountants, etc.) on a retaining fee basis or part time employment basis?
41. Is your costing system efficient and economic?
42. Do you reconcile your costing record with your manufacturing account as shown in your financial books?
43. If working capital is out of balance, have you analysed accurately the results of all plans that would restore the company to a competitive position; capital financing from without to reduce current obligations; financing from within by liquidating debtors and stock, even at a loss, and enforcing a more rigid credit and collection policy; or increased sales volume?

Make the Man Responsible

then

LET HIM ALONE

From

G. J. ALLDAY, F.I.M., M.Inst.B.E.

Managing Director

Weybridge Automobiles Ltd.



My policy, from the time I first learned something about the real duties of an executive, has been to put the responsibility on all those who are actually doing the job.

I am here to guide and suggest. The knowledge and experience I have gained whilst treading the stony and difficult paths, and probably making many mistakes whilst so doing, is always at the disposal of each and every member of my staff, whether technical or administrative.

There must always be a Head to give the final "yes or no", but the fewer times he has to use these words daily to members of his own staff, then greater the measure of the success of his own

work in building the organization which he is controlling.

Only by making their own decisions, can the members of one's staff make themselves into *responsible* members of the organization.

The formation of the Company's policy, is *my* responsibility, and the carrying through of that policy in its numerous details is the responsibility of my staff.

If a man comes to you and says he is in difficulty, you may sympathize with him. If you do, then that man, whatever may have been his previous doubts, will *know* that he is loaded with most of the troubles of the world. He will not see the solution, because he will be looking only for the trouble.

But that isn't what happens if, when he comes to you with a difficulty, you merely grin and say "well, what of it?"

If you don't know what to do, go and do something, anyhow".

Then that man will think that you do not regard his difficulties as overpowering, he will know that you have confidence in his ability to find a solution, and will be put on his mettle. Instead of gazing at his trouble from every point of view, he will forget the trouble and go hot-foot after the solution.

If you can get people about you away from the contemplations of the difficulties and on the way to the solution, there will be very few things for the man at the top to decide. At least, he will have decisions to make only on completed, instead of on what may be called raw, problems.

I am a confirmed individualist and I am definitely against every form of committee management in a business such as my own, against every form of divided responsibility, against having boards to decide things, I believe in each man being self-reliant.

I believe in one-man responsibility in management. I also believe that each *department* must have its managing director, so to speak, who is absolutely responsible, and that he will appoint others under him equally responsible, and that each man must know his job and do it without excuse or failure—or get out. In my business, they do not get out; they stay and do their work.

Most men are born with a natural tendency to shift the burden of trouble on someone else, so that, unless you have picked or trained your men, by the time it reaches the head executive, what started as a little bit of trouble becomes a great big trouble. It may be that a rolling stone gathers no moss; but a rolling bit of trouble gathers the deuce of a lot. Give a man full responsibility in his own job and the trouble never rolls.

THE BROADER VIEW

By ROBERT R. UPDEGRAFF

A Stroll Around The Office

Every once in a while a business executive should ask himself: Which is more important—the details of my work or the broader objectives? Sometimes a casual stroll through the office, with a word here and a suggestion there, will result in more ultimate benefit to the organization, than three or four hours of dictation or concentration on some operating problem in a private office.

Makes Difficulties Disappear

A good way to get around the difficulties of a situation is to ignore the difficulties and concentrate on those points at which progress can be made.

While so engaged, a substantial proportion of the difficulties will disappear, and one can then address oneself to those remaining with the advantage of working from an advanced position.

How Edison Solved His Problems

Of late I have been interested to read how Thomas Edison used to attack his difficult problems. He would work for a while on one invention, and then put it away for a year or so. In the meantime some other problem would occupy his mind. Then, one day, he would go back to the original task, and in a short time a new invention would be announced to the world.

What Edison really did was to relieve his mind of the actual pressure of a particular problem, and then come

back to the problem with a fresh mind.

I personally follow Edison's plan in my work. It is one of my most settled practices, and I find that many of my "worrysome" problems solve themselves if I let them alone for a time.

Keep Ahead of the Calendar

The man who works ahead of the calendar always seems to have an easier time of it than the man who is never quite "caught up". The reason for this, it seems to me, is that by thinking ahead one can use other people more effectively.

If a report has to be made on the 25th, the canny executive starts an assistant gathering the necessary data early in the month. There is ample time to write for information, if need be, or to look up records. When the 25th comes round, the work is practically finished, whereas had the executive waited until the last minute he could not afford to delegate the pressing task to anyone else, but would have to burden himself with every detail.

The calendar is a tyrant to the shiftless, a servant to the forehanded.

HOW'S BUSINESS?

Still Holding Towards . . .

The upward trend of British trade is still maintained, but the facts that this upward trend is not quite so buoyant, and that more and more it is evident that the British Empire is the only big commercial unit that is advancing, make some observers feel doubtful.

So it is a good time now, at mid-year and between the two major seasons, to set down frankly all the pros and cons that affect current trade and the future trend of trade.

FAVOURABLE FACTORS

1. Unemployment Drop

The first favourable factor is the continuing improvement in virtually all the indices of British trade during the last month.

Unemployment is down by nearly 58,000 on a month ago, by nearly 500,000 on a year ago. At this rate it may soon be under 2,000,000. The figure of 10,187,000 in insured employment (which is 570,000 more than a year ago) means that the British Isles have more people in work to-day than at any time since the 1929 boom.

Again, every industry except three have less unemployment than a month ago, especially building, distributive trades, cotton, engineering, shipbuilding and repairing, clothing, hotel services. Every district except one shared this fall in unemployment. It is significant that the north-western district, which includes Lancashire, shows the largest drop of virtually 17,000.

2nd FAVOURABLE: Production Rising

The production index for the whole country is 109 for the first quarter of this year; compared with 105 for the last quarter of last year; and with 96.8 for the third quarter; 96.7 for the second quarter; and 94.8 for the first quarter of 1933. This shows the gratifying increase of 14% in one year.

Nearly all the major industries contribute to this large increase in production. Coal output is slightly up on last year; iron production is up 58% on a year ago, 6.5% on a month ago; steel is up by 29% on a year ago, 8.5% on a month ago; home consumption of iron and steel is increasing with the general rise in industrial activity while exports are up by nearly 20% on a year ago.

Engineering branches are better. Employment is up in all branches; motor-car output for the last recorded month (April) is 15.5% up on a year ago and only slightly lower than the heaviest production figures of the late winter months. To the end of April the number of motor vehicles registered for the first time during the previous seven months was 25% greater than in the same period last year. Clyde-side and the



'FAVOURABLE'

north-east coast report greater activity in marine engineering. The midlands report an encouraging number of contracts, mostly for work in this country. In Wales, the activity in mining engineering is highly significant of the probable trend of events there.

Output of building material must be increasing, for building activity itself is up by nearly 5% in number employed on a year ago and 1.7% on a month ago. That this improvement is likely to continue is indicated by the increase of 3.5% in building plans for the last month, and in the constant expansion of government building programmes.

The textile industries are in and out. The favourable factors are that raw cotton imports are up by 10% on a year ago; exports of yarn up by 3%; unemployment down by 5.4% on a year ago, 1.1% on a month ago. The rayon industry is holding its own.

Exports of wool are up on last month and the year in every branch.

3rd FAVOURABLE: Retail Sales Rising

Retail sales during May rose 7.7% over last year, while stocks also recorded a rise of 2.2%. The increase in sales is the largest for over a year. In March a large increase was also noted. It is significant that the March sales immediately preceded the Easter holidays, and it seems more than probable that the Whitsun holidays had a similarly stimulating effect on the sales in the first fortnight of May. Every district recorded an increase, all except one being more than 7%. This proves the general and widespread nature of the activity in buying. Also, every category of goods except one shared in the increase. In April, the most significant increases were in sales of furniture, hardware, and household and dress piece goods—the two former being a reflection of the expansion in domestic building.

4th FAVOURABLE: Financial Outlook Bright

Electricity consumption increased by nearly 12% on last year. As domes-

tic consumption always decreases in the summer this indicates increased industrial activity.

Rail traffics still return an increase, however slight, on the month and on the year.

If, however, statistics were available showing the total tonnage of goods and the total number of passenger miles run by railways and motor transport and the canals, would not these show a large rise year by year and month by month?

The G.P.O. is the country's largest single enterprise. Its past year's work is therefore significant. Even those departments which have shown a deficit in the past are decreasing their deficit in certain directions. It shows the largest turnover, the largest net profit (12% up on last year) in its history. Prices are being lowered, as in the case of the telephone. We might suggest, that if the penny post were resumed the revenue would not suffer after the first year.

The national revenue returns are very favourable. Up to date, since April 1st, revenue has increased by more than £4,000,000 compared with the same period last year. Floating debt is £135,000,000 less than a year ago.

Easy money continues. New flotations are being eagerly received, interest rates are low. Industry can get money for re-equipment and expansion, if it is sound.

5th FAVOURABLE: Overseas Trade Good

May exports are good; an increase of £3,000,000 or 9% on a year ago and £2,425,000 or 7% on a month ago. Imports also were up, 8% on a year ago, 9% on a month ago; imports of raw materials accounted for about half of this.

Cable traffics, another significant index, rose by 2.5 points on the year and 1.5 points on a month ago, though usually there is a seasonal drop this month.

Overseas conditions find principal

mention this month under unfavourable factors. But the consummation of the new trade agreement with France, chances of a footing in Belgian markets, prospects of early negotiations with Spain, an increase in imports to Sweden of 50% up to date this year compared with last, and a large increase in trade

with Finland, all speak well for the future.

UNFAVOURABLE FACTORS:

1st These Black Spots

Provincial bank clearings are nearly 5% down on a year ago; six of the eleven districts show a drop: from Hull

1.5%, through Bradford, Nottingham, Manchester, Liverpool, to Leicester with a 10.3% drop. As many of these centres are showing consistent activity, it is to be queried whether this bank clearing drop may be due to slowing down in purely Stock Exchange and financial activities and to the fact that last month there was one less working day than a year ago.

The north-eastern district shows an increase of 10,000 in unemployed, coal mining an increase of nearly 19,000, the woollen industry an increase of 4,000, due to the usual seasonal fluctuation, dock and harbour services an increase of 2,000, an indication of the static condition of overseas trade.

Wool for the moment is unfavourable, with an increase in unemployment over last month of 4,000 and a decrease in production shown by the uniform drop in bank clearings in all the wool centres.

Wholesale and commodity prices are down by 0.5%. This is unfavourable. We would rather see a small but continuous rise, for this is usually an accompaniment of prosperity. Farm prices for May show a rise for the third month in succession, while dairy and poultry products show a fall for the month.

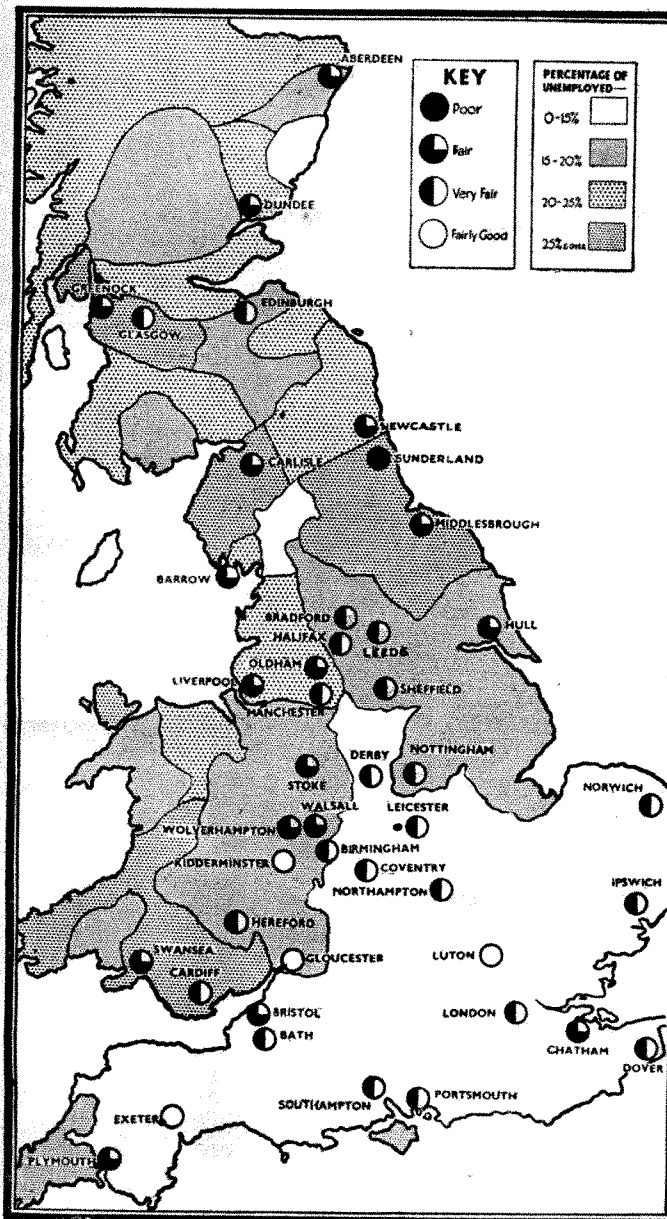
Food prices are up by 1.2 points on a month ago, 4.5 on a year ago; and the cost of living, for the first time shows an increase, 2 points, on a year ago. This was to be expected, for the price of food and the cost of living index have, up to this time, not risen proportionately with the rise in commodity and wholesale prices during the last eighteen months. Probably tariffs and quotas have had more to do with this food and living cost rise than commodity prices. This is an unfavourable factor in that, if retail prices and the cost of living go up, the general public with the same amount of money can buy less in quantity, while with slightly more money to spend, as they have today, they cannot buy a proportionately increased quantity.

2nd UNFAVOURABLE: Imports Unduly Up

Imports of manufactured goods show the alarming rise of 10% on a month ago, 18% on a year ago. As we export more manufactured goods we can afford to buy more raw materials, but we cannot afford to let our imports of manufactured goods rise as fast as our exports if we want to build up a favourable balance, for our increased exports must pay for both our increased imports of raw materials and our exports of manufactured goods.

We of all western industrial nations have increased our exports steadily in the last few years. Should we have done so in the last year if we had not also increased our imports, our purchases from the people who are purchasing from us? Trade must be reciprocal. The only reason why we want to sell more is that we shall then

HERE IS THE SITUATION THIS MONTH



London Districts: Employment is improving. Trade is fair, though retail sales have dropped and Metropolitan Bank Clearings are down slightly. This sagging is temporary, coming between the two most active seasons of the year. In the City, finance is easy, and new industrial issues are well-supported. The political situation in continental countries is causing anxiety to some traders.

E. & S.E. Districts: The agricultural situation is not so bad as one would expect from the shortage of rain. Crops are reported to be looking fairly good. Fishing is prosperous; in four months the value of landings has increased by £500,000. Unemployment in the whole district is slightly better.

Midlands: General engineering shows a lull in activity; activity in the motor trade continues, and in some branches business is increasing. The hardware trade at home is improving, but continental conditions prevent the recovery of the export trade. Most of the large towns show decreased unemployment.

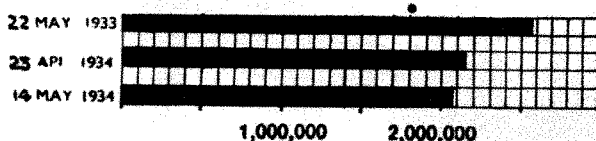
W. & S.W. Districts: Coal shipments from South Wales were higher last month than a year ago, but there is not much real business. Iron and steel works are still active, though there is a general slowing down. Still, a few Works which have been entirely closed, are to be reopened shortly, while there is a slight but definite drop in unemployment.

N.E. Districts: The Durham coalfield is fairly active, and iron and steel works are busy, though there is no increase in export trade. The woollen trade in the West Riding is not so busy as it was, and in textiles unemployment has increased, though it is still less than a year ago. The lull here is seasonal.

N.W. Districts: In Scotland a good deal of coal is being exported, and engineers are busy, though here, as in Lancashire, there is little export trade. As the season progresses, increasing business in the cotton trade is anticipated. This district has recorded a very large drop in unemployment.

UNEMPLOYMENT-DOWN

Number of Insured Persons Unemployed



Each Square 100,000

be able to buy more; but we must see to it that we do not buy more before we can sell more. Any country that stops imports altogether will stop exports of manufactured goods altogether. It is quite proper that we should increase our imports as we increase our exports.

3rd UNFAVOURABLE: World Conditions Bad

A broad most developments have been distinctly unfavourable. Germany's virtual repudiation of foreign interest and debt payment has had the immediate effect of still further unsettling international trade, decreasing her exports, and frightening international finance. That she might have made a fair and acceptable arrangement regarding her foreign commitments is shown by the fact that she is abiding by her short-term debt payments, because, as her authorities frankly but naïvely state, she has got to meet them in order to keep on trading at all!

The U.S.A. may be facing a breathing spell so far as new stunts and regulations are concerned, inasmuch as the National Legislature has adjourned for seven months and the Chief Executive is holidaying for seven weeks. But her internal trade is sliding back again, business confidence is wavering. We still cannot see any solid and permanent improvement coming in the U.S.A.; we cannot see but what her financial and economic experiments will still have an unsettling influence on world conditions rather than a helpful one, and we cannot but feel that she has a rough passage and depressing and expensive readjustments still to go through. We look therefore for a further retrogression in the U.S.A. before any final progression takes place.

France may be on the way to betterment. Retail prices are falling, as they should have done before, for the gap between the fall of home produced and imported articles is still very large. Wholesale prices are also falling. But her imports and exports are still falling; down by nearly half on three years ago. Neither her political nor her financial situation is yet stabilized.

Italy is tending in the direction of further restrictions, at any rate towards selfish localized agreements as the suggested one between Italy, Austria and Hungary, rather than international trade easement. None of the European nor the South American countries have taken any steps towards easing international trade conditions.

The most unfavourable factor internationally is the failure of the Disarmament Conference, increased political tension in Europe, rising talk of greater armaments by all the great powers now, and the possibility of fear for the future and lack of business confidence and prospects of high taxation which this will bring.

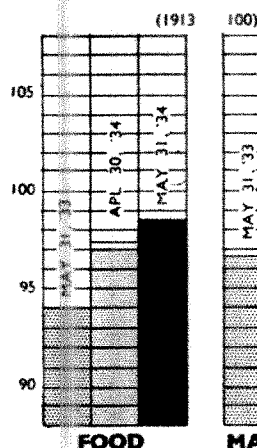
On Balance : FAVOURABLE OUTWEIGH UNFAVOURABLE

The favourable factors for a continuation of British trade far outweigh

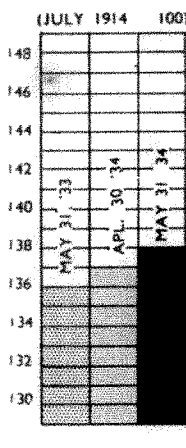
the unfavourable. Building activity promises to continue; our internal production for home consumption is still rising; we are more than holding our

own in the export market; trade within the Empire is growing. So long as these factors continue, we are on the right track.

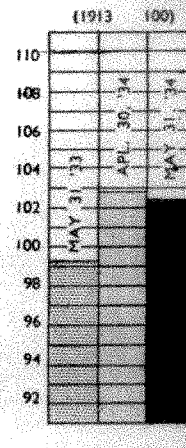
COMMODITY PRICES— UP



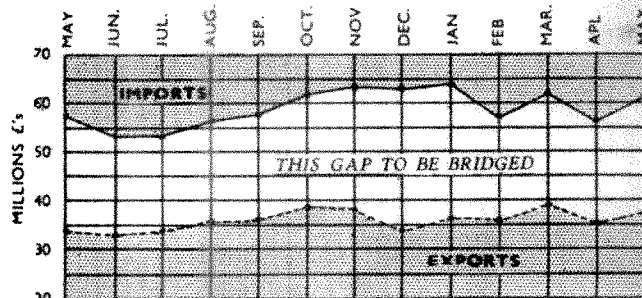
COST OF LIVING— UP



WHOLESALE PRICES— UP

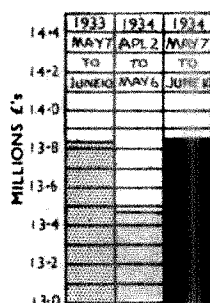


EXPORTS—UP

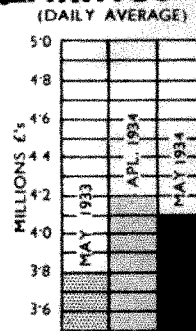


IMPORTS—UP

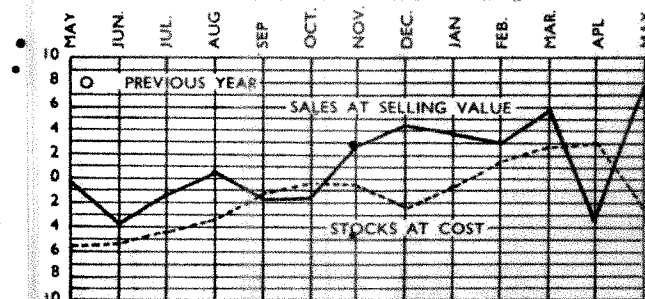
RAILWAY TRAFFICS—UP



PROV. BANK CLEARINGS—UP



RETAIL SALES—UP





By E. J. Emery
General Manager :
E. M. I. Service Ltd.

(Associated Co. of Electric & Musical Industries Ltd., The Gramophone Co. Ltd., Columbia Graphophone Co. Ltd., The Marconiphone Co. Ltd., H. M. V. Household Appliances Ltd.)

This New Company Neither Buys nor Sells

I think I am right in saying that never before has a special and separate service company been floated by a group of manufacturers for the sole purpose of helping dealers to sell more of their goods and to sell them more effectively. The establishment, therefore, of E.M.I. Service Ltd., an organization solely to employ the combined service resources of The Gramophone Co., Ltd., The Marconiphone Co., Ltd., The Columbia Graphophone Co., Ltd., and the H.M.V. Household Appliances Co., is certainly a new development in business.

The success of our Companies as manufacturers, naturally, depends upon the effectiveness of the dealers who sell our merchandise to the public. We know what a dealer has to do to-day. We know that, to be successful, he has not merely to hand over the counter the goods asked for by the customer. His aim, above everything else, must be to make a satisfied customer; to establish a relationship that shall be mutually profitable, so that the actual sale is only the beginning, not the end of the transaction.

This is Where We Help the Dealer

The dealer, too, knows this; but, generally speaking, he is not equipped in the best possible way to carry it out. That is why we have planned in a big way to get behind him with the full support of the resources of our combined companies.

For example: how many dealers have taken the trouble, or are able, to check their district for radio reception conditions, marking on a large scale map the good and bad areas, the location of various sources of interference, the different electricity supply voltages, and so on? Imagine the effect on a prospective customer if, when he comes into the shop to discuss the purchase of a set, the dealer were to ask for his address, and then, turning to his marked map say: "I see that your house is between the

Its function is solely
to provide that After-
Sales Service and Main-
tenance which increases
business and prestige

electric railway and the ——— Hotel, there may be some interference from trains on the one hand, and lifts and other electric apparatus on the other. Before we install the set would you like us to investigate at your house to see whether a special anti-interference unit is necessary which we can supply and fit for so much?"

Would this not give the customer confidence, and impress him with the care taken in his interests, rather than let him find out the difficulties afterwards, when he will probably be averse to paying anything extra, and will quite

likely blame the dealer and the set for unsatisfactory results?

Installations should be the dealer's particular care, especially where questions of connection, protection, correct fusing and conformance with I.E.E. regulations are of vital importance.

The public also has a right to expect from the local dealer full information and advice about changes in broadcasting conditions. This imposes upon dealers an obligation to study modern methods of broadcasting and the various systems used in this country and abroad.

These and countless other points are bound to arise in the course of the deal-

er's business, and he must be prepared to deal with them in such a way that the public's confidence in him and in the product he is selling is still more firmly established.

There is also another aspect of this question of confidence. The public has heard, and has been allowed to talk, far too much about radio and gramophone sets going wrong after they have been in use for a time. There may be many reasons for this, but except in cases of actual breakdown of the instrument it is more often due, directly or indirectly, to inefficient selling. The fact remains, however, that from whatever reason it may have

It is the User Who Matters Most of All

arisen, the feeling of unreliability which as a consequence arises in the mind of the user is not good for our business and must be effectively countered by the dealers.



This is one
bay only of the
new service com-
pany's special works
at Hayes, Middlesex

The
best way
to counter this
tendency is for the
dealer to give the cus-
tomer absolute assurance of
efficient maintenance at the time
of the sale and to help him, from
(Continued on page 19)

for Machine Accounting Kalamazoo Double-Fast is the right Equipment—*Why?*

1 Because - at a turn of the handle - you have either loose cards for posting or a bound book for reference. Your records must be loose - to feed the machine; they must be bound and compact

2 Because of security: Except when accounts are actually being posted, it is a Book and therefore can easily be stored in the safe at night.

3 Because of accessibility: Accounts are stored in convenient units, available for reference at any time. No sheets "out"; records always complete.

4 Because of accuracy: No lost nor misplaced accounts. Single accounts need not be taken away for reference: complete book must be taken.

5 Because of compactness: Occupies a fraction of the space taken by cards. Fifty thousand accounts can be kept within easy range of operator in a floor space of just over one square yard - 3ft. 3ins. by 3ft. 3ins. Five thousand accounts can be housed on a shelf 5ft. wide.

6 Because of economy: Saves time of machine operator and other office departments. Saves costly space on floor and in strong room.

7 Because of portability: It is a Book and can be handled and carried from place to place with ease.

ADVICE - without obligation

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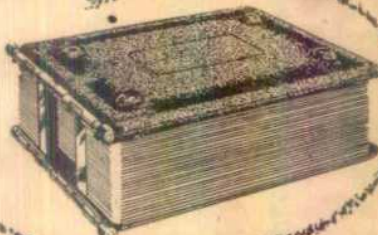
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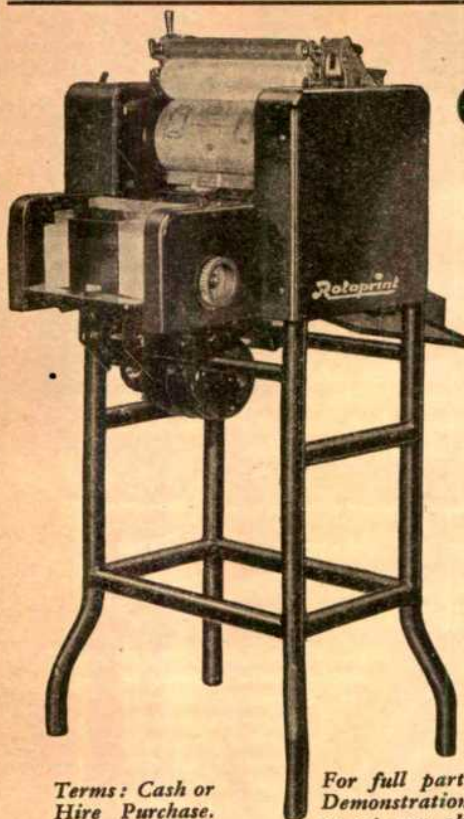
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that point onwards, by the most complete assistance on whatever point might bother him; this to include everything from the most technical advice to the extent of provision, from stock, of even the most rarely demanded spare part.

It was to provide the dealer with the backing which would enable him to serve his customers on these many points that we concentrated our dealer-service into one effective body.

The first point which we gained by this centralization was the unification of all service correspondence, returns, requisitions, invoices, etc. Dealers now have one organization to contact instead of four, one letter only to write, one request to make for field engineers' information or spare parts, no matter whether one, two, three or even all four of our trade marks are concerned.

The next important result is that by concentrating the service administration at Hayes, it has been possible to develop the work of the field engineering staff to a much higher pitch of efficiency than was possible under four separate systems. This has brought about the establishment of completely equipped service depots staffed by engineers thoroughly trained in the individualities of the four companies' products, in London, Glasgow and Dublin. Thus, at geographically disposed centres, dealers handling the products of the four companies have at their disposal a branch service organization ready to deal with any problem. In addition, we have established more than 80 trained men as resident engineers at strategic points to cover the wider areas of the country. We claim that these facilities are unique.

To protect dealers and their customers from misrepresentation every field engineer employed by The E.M.I. Service, Ltd., carries an identification warrant bearing his photograph and signature.

Unification has Improved These Services

The headquarters of the new organization is a self-contained factory equipped to carry out any repair to every type of instrument marketed by the four companies. Thus the service depot is never in the position of having repair work or any other of its functions affected by any hitch which might temporarily influence the production side of any one of the companies in the group.

This arrangement, too, enables the depot to develop an efficiency and speed in handling work which could not have been achieved in any other way.

The personnel has also been developed with the same care as that given to facilities. Under the direction of the most skilled executives, the divisional staffs consist of teams of specialists.

The number of spare parts held permanently in stock at Sheraton Works, Hayes, runs into millions yet the organization is such that any spare part for any instrument manufactured during the last five years can be supplied immediately.

Other services which the organization also provide for dealers are: The supply of constantly revised service manuals covering the four brands of products; advice on the service, costing, accounting and routine side of any dealer's business; help in engagement of the dealer's own staff of qualified engineers.

Thus under the new arrangement no dealer need fear being left unsupported to face any radio, gramophone or domestic appliance problem that may arise between himself and his customer. Our new organization, therefore, we claim is the highest development yet

reached in the radio and electrical trade. It has this double effect:—

- (1) To equip the dealer so well with information and service that he will be able to sell more of our products because his customers will receive the greatest satisfaction.
- (2) To raise the prestige of our goods among users, and therefore, again, the sales, through the confidence which users will gain through being served by such well-equipped dealers, or by the E.M.I. Service Ltd. on their behalf.

National Brands Cramp My Style I NEVER STOCK THEM

By a Retailer who finds it more profitable
to sell his own individuality

Here is a definite viewpoint about a question of selling, stated in such a positive and outspoken way that we have taken the liberty of reproducing it from *Men's Wear* in which excellent journal it appeared under the contributor's name, Adam Rivers. This writer says:

A raincoat manufacturer declared in a recent issue of *Men's Wear* that branded lines are essential to the individual outfitter who has to compete with the multiples. Now, although it happens that raincoats are mainly sold on their name, I disagree with him on general principle.

I do not stock nationally advertised branded lines. The reason is because I prefer to be "different". I dislike having my windows filled with manufacturers' show-cards, advertising goods that the public can see multiplied again and again in the same town or any other town in England.

I am an individualist if you like. If there were more of my competitors of the same opinion, I might conceivably change my policy and stock the neglected branded lines. But as nine out of every ten hosiers seem content to do what the manufacturers tell them, I get more and more trade every year through establishing my shop as a separate identity.

This is how I see it: A manufacturer puts, shall we say, a branded shirt, on

the market, probably a mass production shirt. As such, I have nothing against it; it is quite a good line for the money. But he advertises it heavily and produces the shirts in such vast quantities that he cannot afford to "confine" their sale to a few hosiers. The more the

(Continued on page 33)



"The well dressed man, and the well dressed woman for that matter, objects to buying clothes similar to those that nine out of ten other people are wearing"

Illustration by courtesy of 'Man, and His Clothes.'



That Problem of **TAX ALLOWANCE** On Plant

by P. D. LEAKE, F.C.A.

depreciation on prime cost the manufacturer must keep the necessary record in the form of a proper register of plant.

Rates of depreciation, to be calculated on written down values, have been agreed with the board of Inland Revenue by a large number of industries through their Trade Associations, these rates being always subject to the concurrence of the Special or General Commissioners concerned in any particular assessment. Some of the agreed rates are shown in the table on the next page.

In the larger problem of reducing cost of production there are many small problems which do not come in for their full share of study, and one of the most important of them is that concerning income tax allowances in respect of machinery and replacements. It is a question which is as important to the small firm as to the large one, and when it is considered that nearly one half of our whole national capital consists of depreciating industrial plant of one kind or another, it will be seen that the extent of the depreciation question is very wide.

Claims must be Based on Systematic Records

A great part of all this machinery is represented by small units whose owners are entitled to claim annual allowances for wear and tear, and sometimes for obsolescence and replacement, and as in these days the all-round useful life of machinery can scarcely exceed an average of 20 years, and such machinery represents what is called fixed capital, it is important that some systematic method of measuring and recording the amount of annual depreciation—or expired capital outlay—should always be used.

It is safe to say that the majority of the owners of industrial plant and machinery are not satisfied with the deductions allowed for depreciation, and it is encouraging to know that the Board of Inland Revenue is now definitely inclined to take a more liberal view in interpreting the provisions governing allowances for obsolete plant when replaced by new, and also in regard to claims which may arise mainly out of the adoption of new and improved methods in industry.

In too many cases the old method is still used of recording capital outlay upon all kinds of plant and machinery in one ledger account and writing off an arbitrary percentage of the balance of cost at the end of each year to represent depreciation of quite unknown extent.

These records relating to capital outlay on industrial plant soon become a mass of meaningless figures: no attempt is made to keep track of the cost of each class of plant and to see that this cost, which was incurred solely on revenue account, is properly charged to revenue over the period which receives the benefit of the service of each class of plant during its useful life.

Indeed it is largely owing to this neglect and inadequate method of record that it has been customary for depreciation allowances to be calculated on written down values, except in the case of the shipping industry where allowances are based on prime cost.

It must be remembered that allowances for depreciation and obsolescence of plant, claimable as deductions from taxable profits, are in the absolute discretion of the General or Special Commissioners of Income Tax, although the Board of Inland Revenue has agreed, subject to their concurrence, to allow depreciation rates for many kinds of machinery generally to be calculated on written down values; but, nevertheless, it is permissible to have depreciation calculated by reference to the prime cost of the plant, and the offer of rates based on written down values is no bar to the taxpayer who prefers the prime cost method, but in order to claim

**ARE YOU GETTING YOUR
MAXIMUM ALLOWANCES?
LOOK INTO IT; IT IS A
VITAL POINT AND HAS A
BEARING ON YOUR COSTS**

Some Trades have Secured Scheduled Rates

The fact that a rate of 5 per cent. on written down value assumes an efficient life of 58 years with a scrap value at the end of that time of 5 per cent. of the original cost suggests that many of these allowances must be quite inadequate.

Rule No. 6 of the statutory provisions provides that in charging the profits of a trade a deduction, representing the diminished value by reason of wear and tear during the year of any machinery, may be allowed, the deduction to be such as the Commissioners consider just and reasonable; and where full effect cannot be given to any such deduction in any year owing to there being no profits, or the profits being less than the deduction, the deduction shall be carried forward to the next year and so on; so that even where there are no assessable profits for any year the allowance should still be claimed or else the right may be lost to carry the amount forward.

Another, Rule No. 7, provides for a deduction as expenses incurred in any year of so much of any amount expended in that year in replacing machinery which has become obsolete, as is

equivalent to the cost of the machinery replaced after deducting from that cost the total amount of any allowances made at any time in estimating profits on account of the wear and tear of that machinery, and any sum realised by its sale.

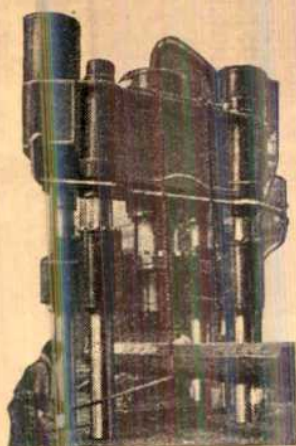
Allowance on Plant that is Replaced

The cost of plant replaced, less the total allowance and less any sum realised by sale, may be charged to the Profit and Loss Account as an expense in cases where obsolete plant has been replaced, but not otherwise. The discarded plant is then taken out of the list of wear and tear allowances and the new machinery substituted, but this obsolescence allowance is limited to the cost of the new machinery; and it does not cover machinery discarded merely because there has been a change in the character of the business and the machinery has had to be replaced as unsuitable. For example, an Electricity Supply Company ceased to generate and took current in bulk, and it was decided that the new plant must be treated as capital outlay and not replacement.

The commissioners must decide whether the allowance applies where the replacement represents a better article for the particular purpose.

£750 Allowance on Machinery Costing £3,000

In the case of professions and vocations other than trades and manufactures, allowances for wear and tear are provided for, so that, for example, a doctor is entitled to allowances for wear and tear and obsolescence of his motor car employed in his profession, and the same applies to salesmen and others



These Are Points to Watch .

who need the use of motor cars for business purposes.

In one case a firm found that a product was unprofitable and it was abandoned, and machinery about five years old and costing £1,200 was left idle, but as it was not being replaced no claim for obsolescence could be sustained. In another case, however, a cardboard box maker decided to devote his attention to metal boxes, and his plant costing £750 became entirely obsolete and without scrap value. New machinery costing £3,000 was installed, and in this case it seems likely that his claim of £750 will be allowed on the ground that the new machinery supplies the same kind of service, although the boxes are of a different material. If the Inspector of Taxes demurred in such a case the manufacturer could ask him to submit the question to Somerset House.

While "obsolescence" includes "worn

out", obsolete plant need not be worn out nor quite useless to other people, and manufacturers and others complain of the narrow interpretation often placed on the provisions regarding obsolescence, especially when depreciation is more of an economic than a physical matter.

The rapid advance of invention and the consequent necessity of re-equipment often makes it necessary to discard old machinery before it is worn out, and to replace it with other machinery which cannot always be described as similar although it may be put to the same use. For example, motor vans replace horse vans, and again electrical mains supplying current from a local supply take the place of

1. Record the cost of each item of plant and its annual depreciation value.
2. Charge this cost to the appropriate revenue.
3. Where there are no assessable profits in the year you should still claim depreciation for that year.
4. You can deduct as expenses, under certain conditions, money spent on replacing obsolete machinery.

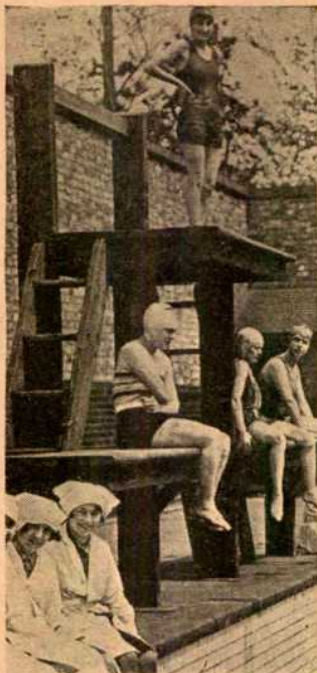
a power plant, and the allowance for such obsolescence seems to vary considerably in different districts, so that

"Economic" as well as "Physical" Depreciation

it is often advisable to ask the local inspector to refer a case of difficulty for decision by the authorities at Somerset House, who now always desire to take as liberal a view as possible within the existing law. In one case a change of raw material from bar to extruded section rendered a machine costing £300 and only four years old obsolete. It is not being replaced and will only fetch £50, but under the present law no allowance can be made for obsolescence.

As an alternative to the allowances mentioned under Rules No. 6 and 7, Rule 3 provides that the actual net cost of renewals and repairs of implements, utensils, etc., may be charged year by year as an expense in the accounts, but not the first cost, which is treated as capital outlay. Increased cost is allowed, except to the extent that it may represent increased power or capacity, while replacements of parts are allowed so far as they do not destroy the identity of the original machine.

INDUSTRY	PERCENT.	NATURE OF PLANT
Bleaching and finishing	8½	Plant and machinery generally.
Bookbinding	5½	Engines, boilers, and shafting.
Brickmaking	5½	Steam engines, boilers, and shafting; mixing and brickmaking machines.
	8½	Electrical plant; crushing and grinding plant.
Commercial motor vehicles	22	Commercial motor vehicles propelled by internal combustion engines.
Dyeing and finishing	8½	Plant and machinery generally.
Farming	11	All types of farm machinery and implements other than motor vehicles.
Flour milling	5½	Engines, boilers and main shafting.
	8½	Other machinery.
Hosiery manufacturing	5½	Engines, boilers and shafting.
	11	Process plant.
Paper-box making	8½	Plant and machinery.
Printing	5½	Engines, boilers and shafting.
	8½	Printing and binding machines.
Shoe and slipper making	5½	Engines, boilers and shafting.
	11	Process plant.
Steam laundry, and dyeing and cleaning.	8½	Plant and machinery generally.
Tailoring trade, ready-made and wholesale bespoke men's heavy clothing.	9 9-10	Plant and machinery generally.
Timber goods, manufacturers of, timber merchants, sawmills	5½	Engines, boilers and main shafting.
	8½	General sawmilling plant and machinery.
Wrought-iron industry	8½	Plant and machinery generally.



Staff welfare is a major factor for present day management to consider. This article explains why. In succeeding issues the author, who has wide experience in the PROFITABLE application of welfare principles, will detail how specific factors of "welfare" can be utilised with advantage in various kinds of businesses

STAFF Welfare DOES Pay

By STANLEY TOWNSEND, LL.B.

such is a commercial necessity to-day in order to secure from each member of the organization his or her maximum effort towards the progress of the business.

Welfare activities are designed to relieve employees, as far as possible, of those personal anxieties in regard to unemployment or old age which restrict their effort. Many of the difficulties in business arise, not between employees and management, but between one group of employees and another. Social and athletic activities, in addition to their beneficial effects on health, are a means of liquidating such differences.

In many firms, the works committee or council is part of the welfare work. It maintains contact between management and operatives which may otherwise be lost in large undertakings. Grievances, real or imaginary, can be brought quickly to the notice of the management.

Maintains Contact Between Staff and Management

Famous firms in nearly every industry have successfully operated welfare schemes for years. It is an interesting commentary on the question of whether welfare pays, that the most successful firms are usually enthusiastic employers of this method of promoting the well-being of their staffs. J. Lyons & Co., Imperial Chemical Industries, Dunlop Rubber Co., Cadbury's, Rowntree's, Austin Motor Co., Raleigh Cycle Co., are a few instances.

Even in the coal-mining industry there are outstanding examples, such as the Bolsover Colliery Co., and Fletcher, Burrows & Co., of Atherton. The latter company took the unusual step of making a weekly payment to all their men during a national coal stoppage! United Dairies have a welfare department with a wide educational programme. Mackintosh's Toffee even provides marriage dowries. At Sandersons, the wall-paper manufacturers, there is a medical officer and a

(Continued on page 39)

Fifty years ago very few industrial firms medically examined new employees, subsidized sports activities, organized pension funds, operated canteens, ran a works magazine, or ran a works committee.

To-day such arrangements are becoming increasingly a part of progressive undertakings. These far-reaching improvements in the human organization of industry are the direct outcome of the industrial welfare movement.

Two motives lie behind the installation of welfare departments. One is commercial; the other philanthropic. The first rests upon an assumption that improvements in the working environment and care for the comfort of operatives will be reflected in the balance sheet. The second is part of the desire of the business man to correct some of the imperfections of the present economic system and to promote the happiness of his employees.

The Balance Sheet Reflects Profitable Results

Does "Welfare" pay? Yes, it does; that has been proved over and over again and is still being proved afresh every day.

Many concerns, especially those employing women or girls, have appointed a welfare supervisor who operates the various welfare activities of the company. These cover social and athletic activities, thrift and pension funds, control of absenteeism, first-aid organization, sick visiting, medical examination, and a range of incidental services designed to promote the well-being of the worker. Sometimes the welfare supervisor operates the canteen as well.

The relationships between welfare work and the work of the employment department are by no means uniform. Sometimes the welfare supervisor undertakes the duties of an employment manager; sometimes the employment or labour department takes welfare

work in its stride. There is a distinct feeling in industry to-day that the personnel work should be in the hands of one official, preferably of senior rank, and that any additional appointments should be definitely subordinate to his.

A welfare policy, if it is to be effective and successful, must animate the entire personnel policy of the company and not merely the specifically welfare side. Some of the activities of a welfare department have just been indicated, but there is always a danger that by giving specific illustrations of industrial welfare, one may deflect attention from its true object.

Industrial welfare aims to create within the unit the real team spirit. Any executive of experience knows that



The Staff Magazine is an important link in J. Lyons & Co.'s very wide welfare organisation. The club-room below is a unit in the Port Sunlight scheme of Lever Bros., Ltd.



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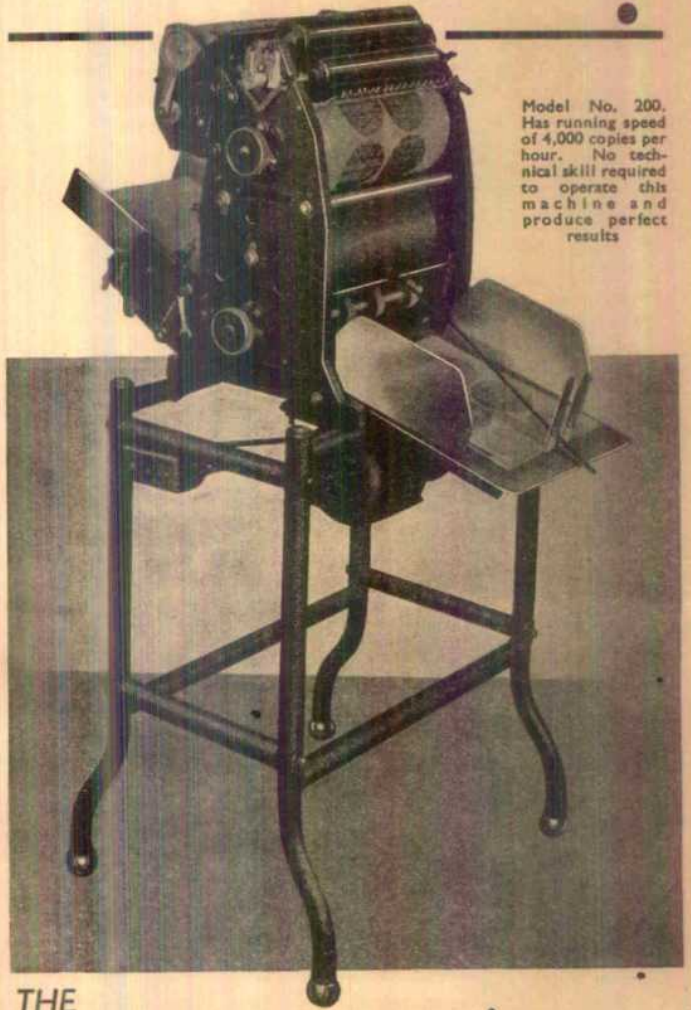
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to-day



This new Powers publication explains in simple language how the Powers-Four punched card system functions. It demonstrates how the whole accounting work of large or small organizations can be concentrated on the Powers-Four Machines using small standard 26-column cards. It indicates various ways in which Powers-Four Equipment is being used by many successful businesses for the preparation of their essential accounting records. It shows how Powers-Four can be used in your business. Write for your copy to-day.

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for the Smaller Firm



This is a typical battery employed in a large concern of the type of machine described in this article as being capable, singly, of dealing with the whole of the accountancy of the smaller firm

"One Machine, one Operator" sums up the most striking feature of our mechanized accounting system. In other words, every accounting operation except invoicing, although that, too, could be done if we wished it, is carried out on the one general purpose machine, operated by one girl working seven hours daily over a five-day week. Moreover, we do not dispense with any feature of control; in fact, it would be difficult to suggest, I think, any figures of value in management that we do not obtain without difficulty and as a routine part of the work.

We are particularly pleased with this general purpose machine, of which we have now had three years' experience, because every facility promised at the outset has been realized.

Moreover, in the case of our installation, the machine simply took up the threads of our accounting system and carried on with it. Very little detail re-organization was necessary to effect the change over, but the analysis possibilities which were at once open to us with the machine aid were considerable. I now have, for example, our revenue figures analysed as to Values, Quantities, Debtors, and Creditors for 2 main products in 9 sizes by 4 classes of trade, with progressive totals always up-to-date.

The Work and the Machine that Does it

The volume of work handled may be gauged by the fact that the active accounts number 5,000 to 6,000. As many customers order only in large quantities at quarterly intervals, however, the monthly statements number 1,000 to 1,500. The daily postings number about 60, and each invoice con-

tains about 6 items thus giving an average of 300 items in all.

The electrically operated machine has the following features: sterling capacity to £100,000, quantity capacity to 10 millions; accumulator mechanism to total four columns, direct subtraction, a flexible keyboard enabling speedy correction of errors in setting-up, automatic column selection for each type of record, automatic dater, split platen, enabling simultaneous posting of two separate accounts, with tally roll for control figures and complete visibility of all entries.

Invoicing, Sales Ledger and Statements

Invoicing is done in the usual way, that is, particulars and prices are typed and items entered in one column, with the total extended to a second column. Four carbon copies are taken on differently coloured sheets, including one on a card perforated round the margin for sorting purposes. The sorting system operates by means of a steel needle passed through the perforations, thereby enabling the release of cards clipped for the classification required. In this way any desired selection can

"Sales have grown steadily over a period of ten years yet this one machine has easily absorbed the increased work, giving all required figures much earlier than by any previous method, and, into the bargain, permitting a five-day week to be worked successfully"

From

A. J. BLACK, A.C.I.S.

Secretary: Lysol Ltd.

(Manufacturers of Marshall's Lysol and Hind's Cream)

be made, e.g. outlet, sales territory, or commodity pack.

The sales ledgers and statements are posted from copy-invoices, the split platen method being employed, whereby individual items appear on the statement and the tally roll but only the total is carried to the customer's ledger card, debit and credit entries being made in the appropriate columns together with the new balance extended. Dates are automatically inserted and the column selection, as mentioned above, is also automatic.

This is How the Sales are Analysed

Two separate analyses are carried out, first by 4 classes of trader and 8 territories, by value; and secondly, by 9 sizes of commodity and 8 territories, both for quantity and value.

The first process is effected as follows: The copy invoices are sorted into territories and class of trader by means of the perforations. Then the invoices for Class of Trader No. 1 are listed on a roll to the left of the split platen and accumulated in three accumulators simultaneously. As soon as the listing for this class is completed the total will be thrown out of the first accumulator and printed on a card recording sales for Class of Trader No. 1, Territory No. 1. The carry forward figure on the card is picked up and a new progressive total extended.

This process is applied successively to the classes of trader until all four have been dealt with. Then a card for Territory 1 is inserted and the accumulated total from No. 2 register transferred to it, the carry forward being picked up as before and a progressive total extended.

In this way each of the eight territories is dealt with and finally a grand total control card is inserted for recording the grand total record of sales for the day, together with the progressive total of sales for the month to date.

Finally an analysis of miscellaneous items is carried out in similar fashion, except that no division by classes of trade is made.

(Continued from previous page)

The analysis by 9 sizes of commodity and 8 territories is effected in similar fashion. As the invoice cards are perforated for sorting by sizes as well as territories, a re-sort reduces the machine analysis to a straight listing operation similar to the analysis by classes of trader already described.

In this analysis, however, both quantity and value are set up and recorded. During the run for each territory the total of value and quantity are transferred to each "size" card, and as soon as a territory is completed the total value up to that point is transferred to the control sheet; such value

must of course agree with the total for the same territory arrived at during the first analysis, thus securing proof of correct working. A progressive total of quantity is similarly compiled and recorded on each "size" card.

As the operator proceeds with these tasks she records the control card figures on the "Daily Sales Control" sheet so that at the finish she is able to see that totals of figures analysed by class, territory and size all agree; ultimately also, she proves the work by Customers' Ledger control figures, obtained independently.

The only possible source of error, apart from the remote chance of error

in setting up, is if the previous balance is picked up incorrectly. The improbability of a compensating error being very high, the check thus imposed is, in practice, conclusive.

Cash Receipts, Purchases and Finished Goods

The statements received each day accompanied by cash are sorted by territories, and receipts are made out with two carbon copies to form respectively the posting media and the cash book.

The machine accumulates the items
(Continued on page 36)



A 15-minute phone conference between, for example, these 3 points costs only £2 : 3 : 6. Have you considered what travelling and hotel expenses, as well as time, can be saved by using the 'phone in this way?

though they met personally.

The only procedure necessary is to fix the date and time of the conference and to advise the Post Office; the authorities will then arrange for all parties to be put simultaneously into communication. The Post Office do not require long notice of any intended arrangements of this sort, so there is no barrier to calling a phone conference at reasonably short notice. Simultaneous conversations between points as widely separated as Cardiff, Durham and London, Exeter, Manchester and Dagenham, etc., can be quite readily conducted. The charges, compared with the travelling and hotel expenses which would otherwise be involved, are very small. For example, a London, Leeds, Swansea three-point conference, made in the afternoon, would cost £2 3s. 6d. for 15 minutes or £3 16s. for half an hour. For a similar call made in the evening the cost would be even lower.

In the ordinary way, for the Leeds

Have You Considered This CONFERENCE-BY-PHONE PLAN?

A conference between the principal executives of various departments of a firm is often demanded at short notice. The subject of such a conference might be urgent, yet quite possibly, one or more of the proposed participants may at the time be a long way from the point at which it is wanted to call the conference.

For example, the directors concerned may be at head office in London, the sales manager may be visiting the organization's branch offices in the provinces while the works or production manager may be permanently located at the factory any number of miles away.

Again, a head office might want its chief provincial area executives who are resident at various key points in the country to come together for a conference in London. Or many other situations

may have to be met wherein the members are widely separated by distance.

In all such cases, to get the people together at a common meeting point, a good deal of money in travelling expenses and hotel accommodation is involved, and, what is often more important, the time element and the amount of organization needed has to be considered.

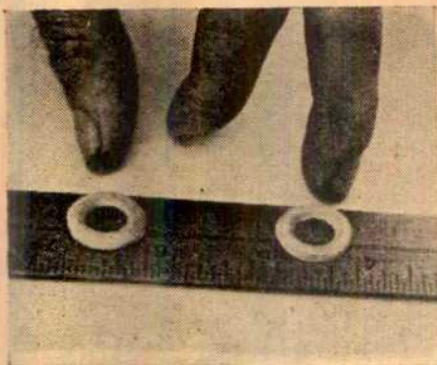
To meet such circumstances many business men could with great advantage use the Post Office "telephone-conference" facilities. By this means three or more parties, no matter how far separated in point of distance (in the U.K. of course) can "meet" in conference over the phone without having to leave their respective offices. Their conversations and discussions can then be carried on, without interruption, as

and Cardiff delegates to come to London personally for a conference, the return rail fares alone would amount to about £4 7s. 6d. third class, and £7 6s. 4d. first class, apart from hotel and other incidental expenses which would naturally be involved. And then there are the many valuable hours of working time which would be more or less uselessly absorbed by the journeys.

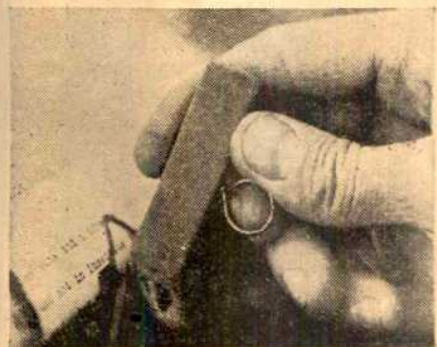
To make this phone-conference system even more valuable, the Post Office, we understand, is now experimenting with a new type of loudspeaker instrument which will enable groups of people, as distinct from individual ones, to participate at the various points of a phone conference.

We suggest that these facilities are well worth investigating from the angles of convenience, speed and expense reductions.

Five Ideas FROM A BUSY OFFICE

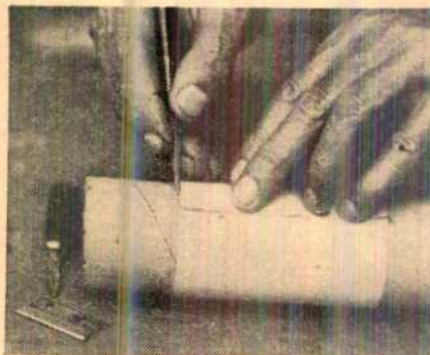


Makes Desk Ruler Easy to Manipulate : The thin but very handy desk ruler is, after all, not such an easy thing for the fingers to move and manipulate, particularly when doing fine close ruling with it. Take one of those small rubber rings used as tyres on inexpensive toy motor vehicles. With a razor blade slice the tyre exactly down the centre and cement or glue the two halves to the upper face of the ruler.

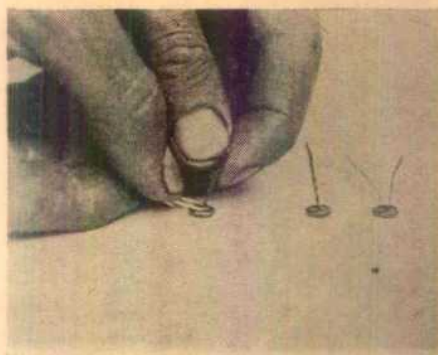


An Eraser Tip : Take one of those little corkscrews often provided free with small bottled goods and screw it into one side of the eraser, in the centre. By means of the ring the thumb and second finger can then nicely hold the eraser, the index finger guiding it with the pressure just right for a narrow, neat job.

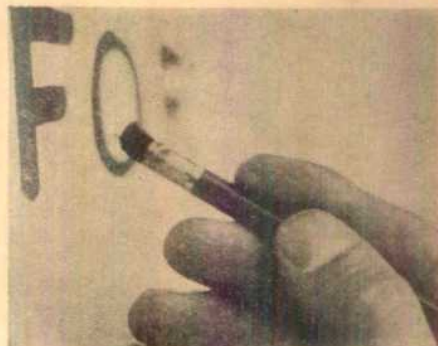
To Mark Large Mailing Tube for Cutting : The pasteboard mailing tube is a very useful item and is by no means finished with after being once used. One frequently finds, however, that it must be cut to meet the needs of shorter material again placed in it for subsequent mailing. The larger the tube is, the more necessary of course, to mark around it squarely with the length and



neatly to cut it in the same way. The majority of people find this a very awkward job but a quick, simple and easy way to mark the tube for cutting is shown here. Wrap an envelope, the larger the better, around the tube bringing the edges of the envelope squarely together, the outer edge at the place on the tube at which you wish to cut it for length. It is very easy to mark against the edge of the envelope entirely around the tube. This gives you a true, unbroken line to follow with a sharp knife or old razor blade. This is a very simple tip but one which surprisingly few people think of until the tube is pretty well hacked up, if not spoiled altogether for the purpose required.



To Straighten Paper Fasteners : Lay a paper clip over the legs of the fastener. Bend the legs first one way, then the other, against the end of the clip. It will bring the halves of the fastener snugly together again.



Improvised Card Sign Brush : Take a lead pencil fitted at one end with an eraser, wrap around the eraser a strip of cloth which acts as a sort of ink reservoir and you have a "brush" which will execute good, clean lettering.

FOR THE FACTORY

Saves Expense of Towels and Laundering

Time as well as money is saved by this electrically heated air hand-dryer. By depressing the foot switch warmed air issues at high pressure from the two vertical nozzles. These two air streams, converging, give their highest concentration at the point where the hands are placed. Thus, wet hands are perfectly dried in a few seconds. The cost is low; 75 pairs of hands dried at a current consumption of only one unit. This represents a considerable saving over the cost of towels and laundering. If it is required by the user, the warm air stream can be diverted from the vertical nozzles to the circular nozzle shown slightly higher up, for face and/or hair drying. The units shown here are two of several in use at the Primrose Soap Works of John Knight, Ltd., Silvertown.



Do you Make DECISIONS that Help Your Subordinates?



The effort necessary to make a decision absorbs a high proportion of an individual's energy. Among routine workers it absorbs an unprofitably high share of their total output; but this is also a point to watch right up through the employees' scale.

Are your responsibilities for making decisions vested in the right people?

Voluntary decisions, in small as well as in large matters, play a very important part in business operations. In the ranks of routine workers, the effort of making voluntary decisions absorbs a lot of energy and results in a marked falling off of output when compared with the output of employees for whom work is so organized and arranged that, in order to carry it out, they do not have to exercise their own discretion or make any kind of voluntary mental decision. This same factor also operates, in varying degree, as the status of worker ascends through the ranks to the highest executives.

Relieved of the need to "THINK" they saved 1 hr. 40 mins. per day

When studying workers packing boxes of mixed chocolates, the industrial psychologist found the girls surrounded by trays of sweets placed haphazard by the 'runner' who brought them. He found also that the girls were responsible for the attractiveness of the design of the completed boxes and that this responsibility lay heavily on their hands. When the trays were rearranged so that the girls could follow a regular, prescribed routine, picking up the sweets from the trays, which were put in exactly the right order to produce a standardized result, the output showed a surprising increase, an average saving of one hour forty minutes each day. This was due entirely to removal from the workers of any need for considered thought or mental effort.

This operation was further developed by using a moving band so that each girl had only one operation to perform—placing one sweet in each tray as it passed

her on the moving band, with no responsibility for remembering the total number of sweets required to make a full box and no responsibility for the final pattern, which came right automatically by the placing of the sweets in predetermined positions.

Here, "thinking" by correspondence clerks raised office costs

One of the chief reasons for this is the issue of inconsistent instructions. In one office, for example, when the wrong goods had been sent to a customer, and an invoice despatched charging them to him before he reported the error, a 'credit' was passed withdrawing the charge. In this department an 'inquest'—worse than any in a court of law—was held over every credit passed, in the praiseworthy endeavour to avoid a similar error in the future. As a result, the clerks would not risk sending any item about the correctness of which there could be the slightest doubt. This caution involved writing one letter for almost every order received, since out of ten items on one order, one at least was almost sure to be inadequately described.

One day the department head was censured for the number of letters being written in his department. He then ordered the number of letters to be reduced, which conflicted with the ruling practice for avoiding 'credits'. Immediately a feeling of strain arose in the office; each clerk found perhaps five cases a day in which he was pretty sure what the customer wanted, but was not absolutely certain. Should he write, or should he risk it? Formerly, without hesitation, he would have written; now, he had always to make a decision. Each decision might

have to be referred to the department head, or it might merely require a few minutes' thought on his own part; but, in the end, taking into account the effects of the mental strain they produced as well as the loss of time, these decisions were more costly than letters of inquiry—and they did not obviate the risk of sending the wrong parts.

This Managing Director was vague when he issued instructions

One duty of those at the head of a concern—a duty frequently side-tracked—is that of doing their fair share of

decision making for the guidance of subordinates. The managing director of one firm used to issue a memo to a number of people, often five or six, instructing them to do something, without making it clear which of the individuals was to be specifically responsible for the job. Each person would therefore telephone or visit the others until it was settled who was to do the work; and since the jobs were always urgent, and no person could ever be found just when he was wanted, an amazing amount of time was spent, not in carrying out the task, but in deciding who was to carry it out.

Some firms profess to trade upon this lack of decision, using the specious argument that if they do not define each man's duties too closely, then two people at least will make it their business to see that important tasks are not forgotten. I have seen this principle in operation, and the results are too often similar to the case I have just quoted. Moreover, a tremendous amount of friction is caused by the overlap, since each person concerned either strives to augment his own apparent importance by trying to add that particular task to his recognized duties, or else he does the opposite, and exerts himself to avoid it.

Note: The examples in this article are taken from a report by L. I. Hunt, which appeared in the June issue of "The Human Factor", the Organ of the National Institute of Industrial Psychology.—Ed.



ANNOUNCEMENT

After considerable research
- the manufacturers of -

SELDEX

VISIBLE RECORDING SYSTEMS

have now successfully evolved a

NEW VISIBLE EQUIPMENT

—the price of which will enable every size and type of business undertaking to take advantage of the facilities of Visible Recording—which has hitherto been prohibitive for reasons of COST only

• Send particulars of your recording requirements to
INFALLIBLE CARD SELECTING CO. LTD.

“SELDEX” Works, Hazelwell Lane, Stirchley, B'GHAM
KINGS NORTON 1618

LONDON BRANCH: 24 Holborn, E.C.1—Tel.: Holborn 7391-5

“BUSINESS” KNOWS ITSELF

WHAT is probably the most exhaustive circulation (reader) survey and analysis ever attempted by any British publisher of business journals, has recently been concluded by the publisher of BUSINESS.

BUSINESS readers have been analysed as to:

*Title or position
Line of Business
Location of Business
Financial Rating.*

Reader-interest, reader-response, buying-ability, buying-power: have been determined and proved.

A case in favour of select restricted and controlled circulation and intensive reader-interest, that will meet the approval of those desiring to reach the buying point in British businesses, has been made.

To any logical advertiser and to any advertisement agency, BUSINESS will be pleased to submit

“The Proof of the Pudding”.

To its readers, BUSINESS takes this opportunity of expressing its sincere thanks for their courtesy, consideration and response to its questionnaires and investigations, which returned to the publisher in excess of 80% of all reader inquiries made.

BUSINESS

The Complete Journal of Management.
Policy & Control, Marketing, Production, Office Practice
6, Carmelite Street, E.C.4 Central 9897

New Velvet Touch
Silent Carriage Return

MODEL NO. 19

BAR-LOCK

The wonderful responsiveness of the new touch and the elimination of all noise in the carriage return are two striking features of the new Bar-Lock which would of themselves place it ahead of all other machines. There are in addition many other important developments—a New Paper Feed, Increase of $\frac{1}{2}$ inch in Writing Line of Correspondence Carriage, and Chromium Plated Finish, being some of the most noteworthy features.

MADE IN
ENGLAND

NO INCREASE
IN PRICE

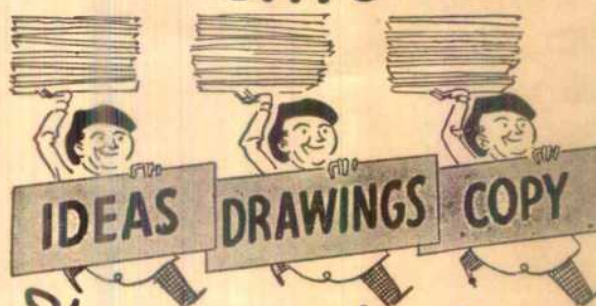


BAR-LOCK (1925) CO.
NOTTINGHAM, ENGLAND
Telephone: Nott. 75141/2
Makers of the
BAR-LET PORTABLE



Let Crichton help you make your advertising PAY!

The CRICHTON Tariff



Thank you! say
Scores of Business Men!

Every business-man interested in advertising will find the Crichton Tariff full of appetising recipes for building business.



POST COUPON TONIGHT
Crichton Studios, 5 Chancery Lane, London, W.C.2

Please send me your Illustrated Tariff
Name.....
Address.....

Tear out and attach to your business note-heading

Launched Into a Crowded Market



This new 2 oz. tin is designed to assist marketing. Snap-on lid, absence of sharp edges and special paper lining to make pipe-fitting easy are conveniences which appeal to the users.

The 1 oz. packet is of heavy foil, covered externally and internally with transparent Vis-cacelle. On the inner transparent covering the printed matter is on the reverse side so that the ink does not touch the tobacco.

THIS NEW BRAND WON

By The JOINT MANAGER

Stephen Mitchell & Son (Branch of The Imperial Tobacco Co. of Great Britain and Ireland) Ltd.

It might, at first thought, be considered superfluous to add yet another branded tobacco to the many lines already existing and firmly established on the market to-day. Yet in April of this year we introduced Bell's Cut Cake, a new blend of pipe tobacco, produced after considerable experiment.

How is it that we could, with confidence (for we *did* have confidence in the venture) launch this new tobacco with any hope of its real success in a field already so well supplied?

The Actual TYPE of Tobacco Was Not New

Well, as tobacco manufacturers of many years' standing, we know our market. Cut cake, as a particular type of pipe tobacco, we quite realized was

no new thing, so we were not going out to appeal from the point of view of the novelty of our newest line. We felt that there was room for another branded tobacco of this kind, and we considered that we should secure a proportion of the market. In 1933, therefore, we set to work to create a new and suitably attractive blend.

To Attract Attention It Needed Sales Points

We realized, that to be a success, our new tobacco must be something more than just another of the existing types. We knew that it must embody some virtues which would make it outstanding among its competitors; though to discover radical "improvements" over products which had already been devel-

oped to a high pitch of excellence was no easy matter.

We had, however, the advantage of certain experiences in manufacture, and we had a name to which such a high standard of goodwill attached that any new line of ours, we were certain, would be well received by the "trade" and by the public.

A fact that guided us in the making of the new blend was the fact that Empire tobaccos were becoming increasingly popular on account of their price advantage over the American product, and also because of the vastly improved quality of the leaf now obtainable.

We decided, then, that in our new line we could offer two definite advantages to the users:

1. In view of our experience in blending Empire tobaccos we could produce a high quality line to sell at 10½d. per oz.—a price which we knew to be competitive.
2. New packaging that was superior in style and convenience to anything in a similar line already existing.

To name the new blend effectively and appropriately we considered an



This detailed view of the standard 2 oz. tin shows, on the left, the unique method of air-tight sealing on the base. The small dark circle in the centre is a rubber cap. The lid of the tin is immovable until this cap is peeled off with the thumb nail. This simple point also offers great convenience to the user.

important point from the marketing point of view. We had been most successful on "Bell's" brands (Three Nuns, King's Head, etc.), so we decided to call the new tobacco "Bell's So-and-so Cut Cake", as "Bell's" would have more weight and influence than the name "Mitchell's" in the particular market to be attacked.

We Considered the Name to be Important

A long list of brand names for the "so-and-so" was considered and re-considered until finally, for the sake of simplicity, it was decided not to use any intermediate name at all, but to call the tobacco simply Bell's Cut Cake, a very easy designation for the public to grasp and remember.

The packages in which we put up the new Cut Cake are best appreciated from the illustrations which accompany this article. They were designed specifically to appeal from three angles: by their good appearance, their convenience and their hygienic advantage. Experience is proving that all three appeals are successful. Incidentally, the mechanical problems involved in the design of these packages were very great, but we tackled them as packaging *should* be tackled—i.e., as a vitally important factor in the chain of successful marketing, and the ultimate results, as I say, are more than compensating for the trouble originally taken.

Only Two Sizes to Keep • Costs Low

For the sake of keeping the cost of manufacture as low as possible and to assist retailers by not requiring them to carry a multiplicity of sizes we standardized production on 1-oz. packages and 2-oz. tins only.

The new blend was launched on the market in April this year, a date fixed to follow immediately after the Budget declaration. We did not anticipate any reduction in actual tobacco duties, but we considered that any reductions in general taxation might help us to capture some smokers who were previously buying cheaper tobaccos.

The advertising programme which announced the Cut Cake was in two parts: Press (Trade and Consumer) and display advertising in retail shops.

Full Distribution BEFORE Advertising Began

An important point to which we paid particular attention was that of ensuring a wide distribution of the product before the press advertising began. At the same time we did not wish to begin distribution too long before the advertising, as we looked to the latter to stimulate demand and move the tobacco from the tobacconist's shelf before he had time to get tired of seeing it there.

It has been the practice of many manufacturers—of all sorts of commodities—when putting out a new brand, to send *unordered* trial parcels to all trade customers on their books. This certainly ensures a wide distribution, but it may also annoy many traders, so we preferred to leave it to our travellers to book definite orders in advance for execution immediately after the Budget. In this way the real support of the trade was secured, and we obtained almost as wide a distribution as we should have done with unordered trial parcels. There is, of course, the drawback to this method, that it gives one's competitors advance notice of one's intentions, but it does not give them much time to formulate really effective counter-plans. Furthermore, it is preferable to other schemes as it enables one to give customers, both in tobacco and display matter, exactly what they want.

The dispatch of the initial supplies was no small undertaking. Care had to be taken that all traders in the same district received their parcels on the same date. However, we worked to a closely-set programme, and all customers had supplies by the time the press advertising was due to start.

Display Material Linked Up With The Scheme

The window displays were largely arranged by customers themselves: a
(Continued on page 32)



Here is some of the dealer display matter with which the new brand was launched.

Do you want to save money on Small Printing JOBS !!!

YOU CAN HANDLE THESE IN
YOUR OWN OFFICE BY ANY
JUNIOR WITH THE HELP OF A

"LANGAPRES" PORTABLE PRINTING MACHINE

A PROVED COMMERCIAL
PROPOSITION. THOUSANDS
SOLD TO ALL TRADES

**COMPLETE OUTFITS
FROM
£7 : 10 : 0**

AS POPULAR AS A TYPEWRITER
AND JUST AS USEFUL

Sole Manufacturers:

LANG CLAYDEN LTD.
BUSH HOUSE, LONDON, W.C.2
Agents Everywhere

How long do you have to wait for your—

Sales Figures for this month?
. . . and Factory Costs?

Every second over ten is a second that ought to be
turned to profitable account.

BRING YOUR DATA
FACTORY COSTS . . .
SALES
10 SECONDS FROM YOUR RIGHT HAND.

Send for FREE BOOKLET 508 "FACTS IN A FLASH."
It tells you how.

THE Shannon
LIMITED

Standardized Office Equipment

IMPERIAL HOUSE, 15-19 KINGSWAY, W.C.2
Birmingham, Bristol, Glasgow, Liverpool, Manchester, Newcastle-on-Tyne & Cairo (Egypt)

PRESS



BUTTON A

To the large number who have sent
for our list, and those who have ordered
THANK YOU

Because there has been an immediate response
in orders for Bravon Loose-leaf Ledgers, and
no single customer has pressed "Button A"
for his money to be returned, we are satisfied
that the quality, strength and utility of the
Bravon Ledgers has as usual brought an ever-
increasing number of satisfied users.
If you have not yet received our list please
let us know.

We can supply everything in loose leaf from a
single faint-ruled sheet to a Bravon Expanding
Steelback Ledger bound in Morocco-grained
pigskin. Please ask us to quote by return for
any special rulings and printings.

THE BRAVON LEDGER CO.

Phone 93

BRADFORD-ON-AVON, WILTS

London Office:

76 VICTORIA ST., WESTMINSTER, S.W.1

Phone 6374 Victoria

400 SIZES to choose from

There are 400 sizes of
GUELPH Cask—giving
a range of capacities
varying from 600 to
12,300 cubic inches.
Wouldn't one be suit-
able for your product?

The

**GUELPH
PATENT
CASK CO. LTD**

WEST FERRY RD
MILLWALL E.14
PHONE: EAST 0279

Also at Manchester, and Scotstown, Quebec, Canada



(Continued from previous page)

small counter display "outer" linked up
windows and the counter. Window
dressings were also arranged by our
dressers, a feature being made of the
Bell trade-mark and the tobacco itself.

All the main display items were
carried out in imitation walnut and
cedarwood finish, giving unity to the
range and emphasising the quality
appeal of the product.

To complete the introduction a printed
letter was sent to all our customers,
giving details of prices, etc. This was
on medium weight board; one half of it
consisted of a showcard (separated from
the letter portion by a perforated strip)
designed on the same lines as the win-
dow bill. This made for economy in
printing, and provided all our customers
with an extra showcard at a small extra
cost, while reminding them of the
salient features of the brand.

I should like to emphasise that this
nation-wide distribution was secured so
readily and successfully for a new pro-
duct by reason of the high goodwill
relationship which exists between our-
selves and the Trade as a whole. As
a firm we hold that such a relationship
is essential if an organization is to be
built up. We do not subscribe to the
theory held in some countries, that busi-
ness can be built by the creation of
public demand, through voluminous
press and other advertising, to the ex-
clusion of every other consideration.

Goodwill was More Effective than Stunts

It might be worth noting that we
secured our trade distribution, and,
what is equally important, the trade's
enthusiastic support of the new line,
entirely without any "stunts" such as
special discounts, prizes or competitions.
We secured it by goodwill and a reputa-
tion for "quality" products.

COLOUR PROBLEMS SOLVED

Changes in colour vogue in different parts
have always presented a problem to the
paint dealer in keeping up-to-date. One
manufacturer has partially solved this
problem by an offer to exchange colours
that sell slowly for others selected by the
dealer himself. Three conditions are laid
down. Black and white are not included
in the exchange scheme; dealer pays car-
riage both ways on orders under a certain
sum, and the exchange must be effected
between certain dates.

PERFUME SAMPLE BAR

A new type display stand is making sales
for a perfume firm. This is a "Per-
fume Bar", complete with six atomisers
and two detachable bulbs. Women cus-
tomers presumably choose their perfume
and have it served to them "straight from
the wood".

This is certainly a novel way of present-
ing perfume and has aroused interest and
enthusiasm on the part of the chemists.

NATIONAL BRANDS

Cramp My Style

(Continued from page 19)

merrier, he says. And that is where we part company.

For there are many men in my town who object to wearing what nine out of every ten men are wearing. They patronise my shop. And being attracted by my distinctive, unbranded, though not expensive, lines, they stick to me. In any case, they cannot go elsewhere and buy similar things because these lines are known only by my name, purchasable only at my shop.

When my customers leave the town, they sometimes write and complain that they cannot get the same things in the town to which they have moved. Naturally, my post-order business grows larger each year.

It is not easy. I have always to be seeking new ideas and looking for stock that the other fellow hasn't got.

I am not popular with travellers representing firms whose brands are household names. But that doesn't worry me. The travellers who do get my orders are quite happy. They get their forward orders in good time. Of necessity I cannot buy from hand to mouth, for I should not be able to get my "repeats" by "return."

Virtually no sales are lost through this prohibition of branded lines in my shop. And I can assure the manufacturer that it is only once in a blue moon that I am actually asked for something by name. I know that outfitters who do stock branded lines declare that it is they themselves who push them.

The manufacturer magnifies the amount of space he has booked in this paper and that. He tells them that the advertising appropriation will run into so many thousands of pounds, and in consequence they are stampeded into putting down a bigish order—to the exclusion, of course, of the less-advertised brands. It is this insistence on the quality of the advertising rather than the quality of the goods that has antagonised me.

The Brand does not Make 'Repeat' Customers

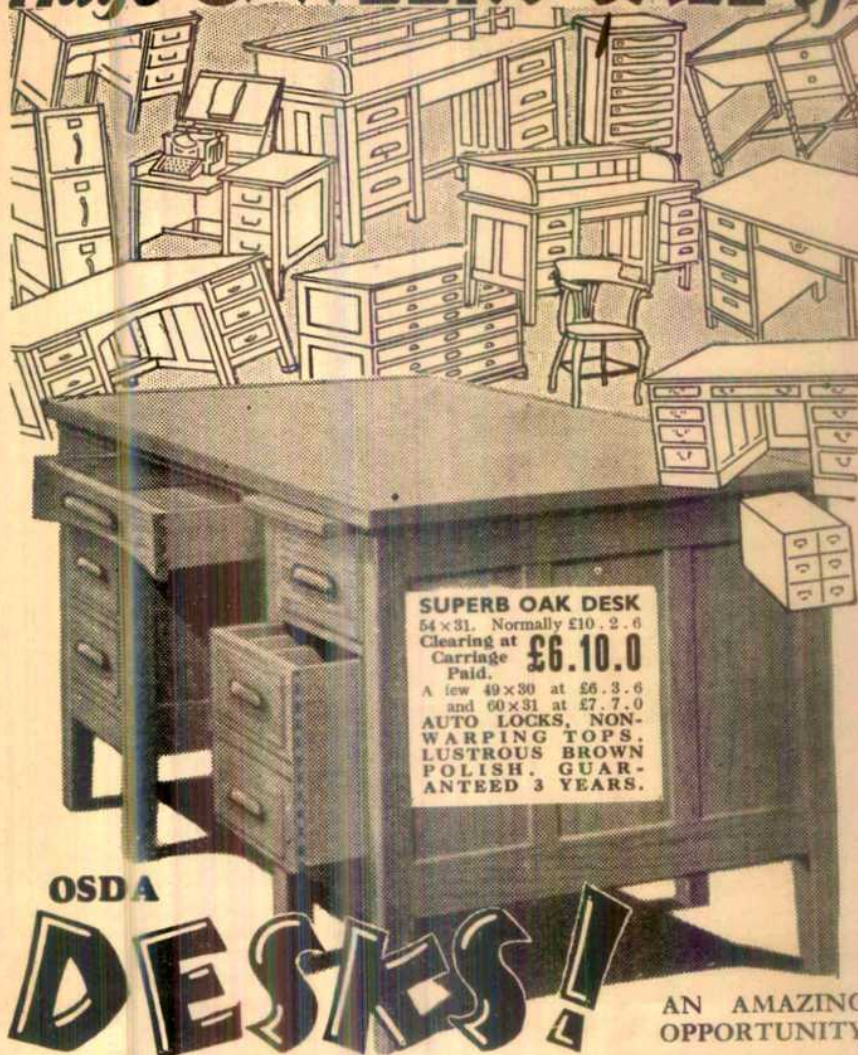
What my friends buy they must sell; in their case it is the branded article. And a man who has it brought to his notice in the shop remembers having seen it advertised somewhere.

But when he wants another, does he return to the same shop? That is my point. He might, if he were still in the neighbourhood. But he has no need to go there because he can buy it anywhere in England. The outfitter has made one casual sale, with very little goodwill attached to it. He is an automatic machine. And one machine is as good as another.

The manufacturer may argue that having got the customer into the shop

(Continued on page 38)

Huge 3 WEEKS SALE of



SUPERB OAK DESK
54 x 31. Normally £10.2.6
Clearing at
Carriage £6.10.0
Paid.
A few 49 x 30 at £6.3.6
and 60 x 31 at £7.7.0
AUTO LOCKS, NON-WARPING TOPS. LUSTROUS BROWN POLISH. GUARANTEED 3 YEARS.

OSDA
DESKS!
AN AMAZING OPPORTUNITY

Here is the greatest collection of sale-price desks we have ever offered. Hundreds of every type of desks are **reduced far below market prices**. Our accumulated stocks from exhibitions, branch showrooms, agents' samples, etc., are all to be sold off during the next three weeks.

We will send (to any approved customer) any desk, etc., **ON 7 DAYS' FREE TRIAL**, without obligation! So you risk **nothing**, and for no more trouble than writing your address, you get the goods sent to your door for inspection. **ACT NOW!**

SECOND HAND DESKS, &c.: In addition to bargains in New furniture, we have prepared a list of second hand equipment at low prices. **WRITE AT ONCE** or pencil your name across this advertisement—both lists will be sent by return.

OSDA LTD., 53-55, Old Bailey, London, E.C.4
(City 3113—3 lines)
Branch 622 Royal Liver Buildings, LIVERPOOL (Bank 4112)
Showrooms 16 St. Mary's Parsonage, MANCHESTER (Blackfriars 6345)

HOW TO TEACH BUSINESS CORRESPONDENCE

A book brimful of ideas and methods that have secured for many teachers, directors and chief correspondents effective results in training people in the production of really efficient Business Correspondence. It aims to show "how" rather than "what" to do, making it equally valuable to the student or junior correspondent desirous of attaining perfection in the art of letter writing.

A few of the various subjects dealt with are: The Psychology of Effective Letter Writing, Clear Thinking, Personality in Writing, Reaching the Reader, Personality in Correspondence, Finding the Word that Sells, Punctuation, Function of the Dash, Words to be Avoided or Used with Judgment, Faults in Phrasing. There are also General Information Tests, Exercises and Examinations.

Make sure of getting your copy of this unique book by posting this coupon Now.

Shaw Publishing Company, Ltd.,
6, Carmelite Street, London, E.C. 4.

Please send me post free by return.....copies of "How to Teach Business Correspondence," for which I enclose 3s. 9d. each in payment.

Name.....

Address.....

J.Y.34

THE IDEAL BENEFIT SOCIETY

(Founded 1893. Registered under
the Friendly Societies Act)

The Ideal Benefit Society

makes provision for

SICKNESS
ACCIDENT
OLD AGE
DEATH

at unequalled terms.

*Members accepted from
12 to 55 years of age.*

For 2d. a day a Youth joining at
15 years of age and completing
his membership until 65, will
receive the sum of not less than
£522, in addition to which he
will have been covered for £1
per week when ill.

OTHER ACTIVITIES:

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Business and Professional Men's
Section
Ideal Bank, Limited
Life Assurance
National Health Insurance
Special Works Scheme

Enquiries addressed to:

The General Secretary
IDEAL BENEFIT SOCIETY
"PITMASTON"
BIRMINGHAM 13

will receive prompt attention

A New "PENNY - A - DAY" Sickness Benefit Scheme

Employers appreciate that it is definitely profitable from the economic point of view to make financial provision for their staffs and workpeople in times of sickness, accident, old age and death. There is a new scheme inaugurated by a well known Society designed to cover these requirements in a very practical way.

The Society itself is well equipped for administering these benefits; they have branches, with experienced assistants, in almost every part of the country, who deal directly with the member on the administrative side, with the result that if an employee leaves the firm which has an arrangement with the Society, he need not cease his membership, but may continue on exactly the same terms except that if his new employer has no arrangement with the Society, he will have to pay his contributions direct.

A Brief Explanation of the Scheme

The scheme is open to any individual of good health and character, male or female, between the age of 12 and 55. The Society enables its members to make substantial provision for sickness, accident, old age and death. These objects are accomplished upon strict principles of equity, by the payment of 7d. per week (the employee paying one half and the firm paying the other half).

Contributions are made by deduction from wages every four weeks. This amount (1d. per day) applies to members under 30 years of age, and an extra contribution of a halfpenny per month per annum is charged over 30, to cover the gradual increasing cost of the sickness risk, thus placing old and young members upon equal basis, as every member is thus paying for his own estimated sickness risk, whatever his age, plus the small cost of management, which is limited to 10% of the contribution.

A principle which commends the Society is the division of the surplus fund (after paying for the sickness and management) amongst the members, and the appropriation of this surplus, as an investment in each member's own right at five per cent. compound interest. The surpluses are estimated to realize at least 25/- per annum for each share, so that members paying a penny per day may look forward, in addition to benefit during sickness and accident, to the accumulation of wealth, as follows:—

	£	s.	d.
In 10 years a One Share member will have ...	15	14	5

In 20 years a One Share member will have ...	41	6	6
In 30 years a One Share member will have ...	83	0	9
In 40 years a One Share member will have ...	150	19	8
In 50 years a One Share member will have ...	261	13	2

According to the estimated calculation (which actual results have proved is under-estimated), the account of a person joining at 15 years of age, and remaining a member till 65 will, for that period, stand as follows:—

	£	s.	d.
The total Contributions paid during the term named would amount to ...	91	18	11
While the amount standing to the credit of the individual member in his own name would be	261	13	2
Showing a net cash profit of ...	169	14	3

In addition to this, the member is entitled whenever incapacitated by sickness or accident to 10/- per week sick pay.

At the end of each year, every member has a certificate issued showing exactly how much is standing to his credit, and how much of the total funds of the Society belong to him as an individual.

Members may subscribe for as little as one share, or for as many as ten shares (10d. per day), with sick pay from 10/- to £5 per week, and a corresponding allotment of the surplus. Thus professional men and others of all classes may subscribe for as much as 10d. per day and cover themselves for 100/- per week in sickness. Thus, if they are members for fifty years, they would accumulate no less than £2,610.

Where an employee desires to take up more than one share, as is frequently done, the payment of the whole amount can be arranged by deduction from his wages, but the employer still only pays one half of the one share.

In the event of a member leaving the company's service, he has the right to choose one of the following courses:—

- Either to continue his membership at the rate of 1d. per day and to pay the whole of the contribution himself, or
- To continue the payment of one halfpenny per day and he entitled to a proportionate decrease in subsequent benefits, or

- (c) To apply for his appropriation surrender value on exactly the same terms and conditions as affect the ordinary members of the Society.

At death, the representatives of the deceased member receive the entire amount standing to his credit in the Society, without deduction.

At 65 years of age (or earlier under special conditions), members may draw out the whole of their money *without deductions*, or they may receive in lieu a life-long annuity.

Optional Scheme 1

Many of the Society's members joined other societies before becoming acquainted with the new scheme. When they wished to leave their old society for the new one they were faced with the position that they had to wait six months before being entitled to full benefits. This proved a difficulty in some cases owing to the would-be member's inability to contribute to two societies, and to meet such cases the Society adopted the following rules:—

"That any candidate accepted as a member, may become, with the consent of the Executive Committee, entitled to immediate full sick and funeral benefit on payment of a small additional entrance fee."

Provision for Unemployed Members

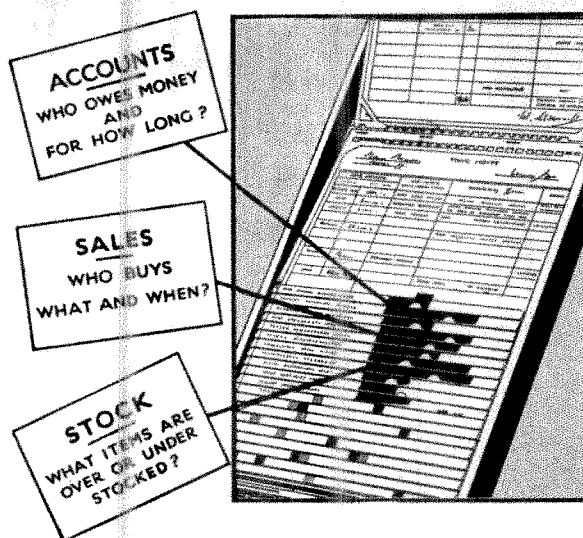
An important feature of the scheme is that no member need lose benefit because he is unemployed. The Society will consider an application from any unemployed member to suspend his membership for 3 months or 6 months whilst he is unemployed. When granted suspension for 3 months he need pay only one-half of the amount payable for immediate benefit. If 6 months suspension he will pay the full amount payable for immediate benefit. These small payments secure his sickness and death benefit, the other benefits only being suspended. When the suspension has expired the member is in exactly the same position as he was when he was first suspended. No appropriation is, of course, credited during suspension.

A Bird's Eye View

The story put in a nutshell is that for the cost of 1d. per day—half paid by the member and half by the employer—or a total payment of £91 during 50 years' membership, a member is covered by 10/- per week when ill or incapacitated by accident; is covered at once by a death benefit of £10 for himself and £5 for his wife (accumulating a substantial death benefit as time goes on); is accumulating a sum of money which can be withdrawn at any time subject to a modest forfeiture, or, if membership is continuous, has accumulated £261 at the end of the period.

This new scheme has been thoroughly investigated and is being rapidly taken up by employers.

Have you a skeleton in your cupboard?



★
KARDEX is an integral part of these firms:—

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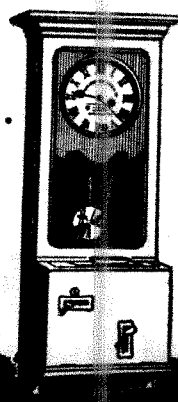
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Executive..... B.7



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Can you remember ?



Can you remember the last time you saw a horse-bus? A good long time ago isn't it? Yet when you walk through your accounting department, does it strike you that the methods used there might be out of date?

Any number of offices still rely on the manual system of accounting. There's a wild rush at the end of the month to get the ledger accounts up-to-date; clerks work overtime; mistakes occur through hasty calculating. Statements go out late—money naturally comes in late.

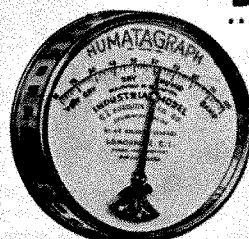
Yet there is a system which will avoid all this—for the small business house as well as the large—the Remington System. It operates with accuracy, neatness and speed, and proves the correctness of every entry. And in thousands of offices it saves a big percentage of accounting costs.

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ONE - MACHINE ACCOUNTING

(Continued from page 26)

as the work proceeds and the total for each territory are posted to cash analysis cards. At the end of the complete run, the second and third accumulators provide the total discount and net cash.

Purchases are journalized by the entry of date, name of supplier and amount of invoice by class of charge, postings being simultaneously made to the ledger cards by means of the split platen.

The Stores Ledger records of raw materials, including containers and packs both by quantities and value, the former showing the day's receipts and issues together with progressive totals to date, and the latter receipts and issues with the balance outstanding.

The requisitions on stores for material used in the manufacture of Lysol, Hinds Cream and other products are analysed daily by commodities in similar fashion to the sales analysis.

Receipts and issues of finished goods are posted from delivery notes and copy invoices respectively to a stores ledger similar to that for the raw materials, showing quantities and values by daily totals and progressively for the month. The postings are by quantity only, values being extended on the basis of standard prices by hand. A tie-up on quantities between the sales invoiced and the finished goods stock is obtained in this way to check that no items go out from the factory without being duly invoiced.

Yet another function which is carried out on the machine is cheque writing, by use of the typewriter attachment. Cheques and cash book copies are typed simultaneously on the machine, the latter showing also the discounts allowed.

Revenue is Controlled Continuously

It will be clear from the foregoing that a very complete daily analysis is obtained of all phases of the revenue side of the accounts and in addition much routine work is speeded up, simplified and brought to a high degree of accuracy by the aid of the machine.

As has already been stated, the accounting system was fully developed prior to the introduction of the machine, but whereas, formerly, to arrive at the final figures for the month required nine working days after the close of the month, the full figures are now forthcoming after but five days, and of course analysis can be carried much further than before.

When it is realized that the full revenue position right through to balance sheet stage is determined in this way each month, the value of the machine as a means to control at once emerges.

During the three years the machine has been installed, sales, particularly

in certain commodities, have grown considerably without, however, placing any strain upon the machine system: whilst upon a slight reduction of staff, which occurred otherwise than as a result of mechanization, replacement proved unnecessary.

Here we have, in fact, an old-established business progressively building its sales, which has worked for the last ten years a five-day week with conspicuous success and has a mechanized accounting system as comprehensive for the size of the firm as one could wish, all taken care of by a simple card sorting system and one really versatile machine—an outstanding example indeed of a successful one-machine system which has proved itself for the smaller firm.

NAME THAT MADE SALES

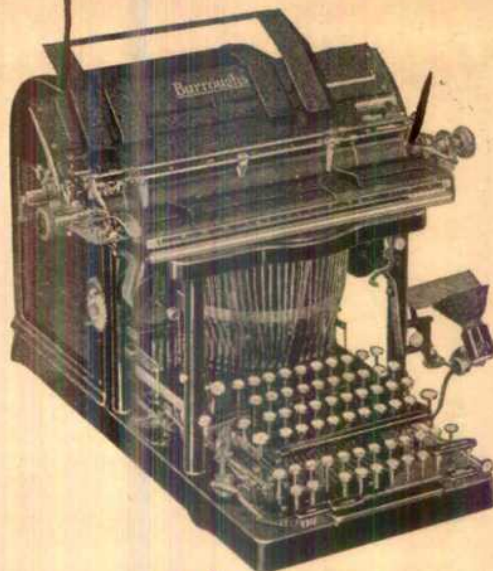
Just how important a brand name can be is illustrated by the case of a well-known antiseptic whose sales were not making headway. Rechristened "Wound Paint", and sold with an applicator attached to the cap, sales immediately rose.

"NON-SLIP" CONTAINER

A maker of a well-known honey and almond cream has corrugated the cap and lower end of his bottle. Advertised as non-slip, this small difference makes the brand stand out from its competitors.



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British.



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LIMITED
50 TRINITY WORKS HALIFAX

PLANNED MAINTENANCE

(Continued from page 8)

TO MAINTENANCE SUPT:					
Please note results of my inspection -----(date)					
List No.	Item of Equipment	Details	Charge No.	Good Condition	Repairs made (time spent) or to be made
Time spent -----(signed) -----					
DAILY MAINTENANCE INSPECTION SHEET					

Fig. 3

bility of fulfilling the sudden demands he has made, he learns to *foresee* the maintenance needs of his equipment, and, what is more important, he learns to *train his personnel to foresee them* and to appreciate the importance of thinking in terms of *avoiding* repairs instead of waiting for breakdowns to happen. This change in shop-thinking on repairs is one of the most profitable results to be achieved.

Reorganization of the maintenance and repair shop invariably results in an increase in its rate of output. In a relatively short time the shop finds itself with a shortage of work. At this moment the maintenance chief must propose to the production departments that they examine all their equipment and make check-lists of all minor repairs which might be made without interfering with production, and especially of points where some timely maintenance attention might prevent a later breakdown. In every shop such examinations bring to light a mass of small points for attention, many of which are unimportant at the moment but which, if unattended, contain the seeds of future emergency repair orders.

This induces a new inflow of work to the maintenance shop. These check-list jobs, none of which can be claimed as urgent, are all analyzed, scheduled, and carried through in orderly fashion according to plan. As this work nears completion the maintenance reorganization can enter its final stage:— Introduction of methods of *Preventive Maintenance*.

These Forms are the Basis of the Scheme

Preventive maintenance calls for study by producing-department heads and by the maintenance-heads of every item of equipment and the drawing up of classified lists stating for each machine every point of wear or adjustment which should be periodically inspected. These lists may be established for daily, weekly, monthly, or sometimes yearly, inspection. When the lists have been established to the mutual satisfaction of the production-heads and the maintenance chief, all the points to be visited periodically are copied off on inspection-sheets in the

order in which the tour of inspection should be made (fig. 3). These sheets are then issued to one or several competent men in the maintenance personnel.

These men have the responsibility of making the periodical tours of inspection, and either making the necessary repairs or reporting those which cannot be made on the spot. For each point of visit they report their observations on the sheet, sign them and turn them in at once to the maintenance-head who acts on them as necessary.

As for allocating responsibility for the expenses of these preventive maintenance visits, in practice it has been found best to give the maintenance department full authority to execute (and allocate the expense of) small jobs, while bringing to the attention of the shop-head the larger and more costly repairs and obtaining a repair order for them.

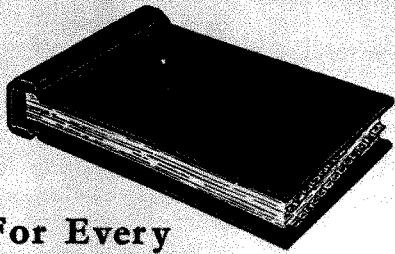
The results of the above-outlined methods are quickly evidenced. When the repair shop completes the surplus of work arising from examination of the equipment it finds itself with spare capacity. As preventive maintenance takes effect the importance of repair jobs diminishes and their volume sooner or later stabilizes at a definitely lower level. It then becomes possible to reduce the size of the maintenance department in keeping with the lower demands upon it, always allowing of course a small margin of security.

NATIONAL BRANDS

(Continued from page 33)

for the branded article, the retailer can attempt to sell him something else as well. So can the tobacconist when a man goes in for a packet of cigarettes; but he doesn't often succeed. And besides the customer seldom asks for the thing by name; it is the retailer who suggests it.

The advertised branded lines attract the wrong sort of customer—the "butterfly" customer who flits from shop to shop. Consequently, one is ever seeking new people whose purchases must



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(Continued from page 38)

be drawn by elaborate shopfronts and stunt shows. A connection is never established in this way. It is built up by attracting customers who will stick to you because your stock is original and "different". To your ultimate success and profit.

And speaking of profit brings me to what I consider another bugbear of the branded line. The manufacturer advertises the retail price, which is good for the public, but the retailer gets a bare 33½, and sometimes it is very bare. Exorbitant profit is no good to anybody, but I personally prefer a margin that anyhow covers carriage and postage.

You stock Aertex underwear, Vantella shirts, and Van Heusen collars. All of them excellent products. But your profit is limited to the maximum of 33½ per cent. You are compelled to order a quarter of a dozen of the shirts, otherwise they "dock" some more profit. And in the case of the collars you are charged 10s. 6d. a dozen, to sell at 1s. 3d., which is less than 33½ per cent. On top of this in either case you pay carriage and postage.

When a man comes in for a raincoat you say: "This is the best raincoat of its kind, sir," and proceed to name the "Burberry" or "Aquascutum" or "Dexter" or "Dunlop", or any other make for which you have a personal preference. You are assisting the advertising of one of these firms at your own expense.

If you reason that the public has grown so accustomed to brand marks as guarantees of quality, project your own personality into merchandise and give it your own trade mark. You will be advertising yourself. If done properly your reputation as an original hosiery will spread. Look at Austin Reed.

Welfare DOES Pay

(Continued from page 22)

dental clinic. When the clinic was opened, 75 per cent of the juniors were found to have defective teeth.

Obviously, only the larger firms can employ a welfare supervisor and an employment manager, but there are many companies which are not even justified in having a full-time employment manager. In such cases, it is common for the secretary to undertake the duty. There is no reason why the secretary should not also be responsible for welfare activities, especially if he can enlist the services of a keen committee and hon. secretary to look after the social and athletic sides.

These are simple and unpretentious methods by which an improved atmosphere may be slowly introduced, even in the smallest company. From these first steps much may follow.

Industrial welfare is a policy, not a system, and its application is in each case a question of degree.

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NEW BOOKS
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This useful book consists of three lectures by members of the staff of the National Institute of Industrial Psychology. It deals in practical detail with the important aspects of the successful organization and administration of the modern commercial office and its staff.

The lectures show the application of the principles of industrial psychology to the work of the commercial office and embody many ideas and practical methods evolved by the Institute.

The selection and training of the office staff, the internal economy of the office, staff morale, and the "will to work", are subjects which receive full and comprehensive treatment. Under these heads the great majority of problems encountered in the office come under review, and practical methods and systems are suggested for their solution and most efficient handling.

This book is of great importance to directors, office managers, company secretaries, and departmental executives, upon whom falls the important task of dealing with office organization problems.

Money Sense, by Horace W. Davis. (McGraw-Hill, 12s.)

Regardless of his profession, money is the basic thing in a man's life. If he fails personally it is unthinkable that he can, by any *legerdemain*, successfully administer the money of others in any class of business.

It is with this consideration in mind that this book has been written.

As head of one of the best-known corporations in the United States the author is well fitted to deal with his subject. He has set out to explain and emphasize the importance of personal integrity and economic intelligence in the life of every man, whatever his status in business.

The book is really a course of training along these lines, a course based on many years of experience and special study of the training of young men for executive positions.

Here are some of the chapter headings: "Your Money and You"; "Acquiring Money"; "Knowing Where Your Money Goes"; "Self-Dependence"; "Buying Things"; "Ways to Lose Your Money"; "Your Economic Foundation"; "Order Through Budgetary Control"; "Speculation".

In brief, the book aims to help young men in whatever business they may adopt, to provide themselves with earnings sufficiently ample to afford them the comforts and fine things of life.

Modern Fashion Drawing, by Dora Shackell and W. Stuart Masters. (Pitman, 8s. 6d.)

Accountancy, by William Pickles, F.C.A., A.S.A.A. Hons. (Pitman, 15s.)

This is an authoritative and complete work (1,350 pages) for every member and student of the accountancy profession. The author has had many years' experience as a tutor, lecturer and examiner, and is well known as a successful coach for the profession. The ideas and methods used by him in his successful work are incorporated in this book.

Trade Associations, by W. J. Donald. (McGraw-Hill, 24s.)

Although this book has been written for the American business man, there is much in it of interest to those in this country interested in trade associations and movements of that kind. The organizing of an association, the staff required to produce results without making the association an expensive burden, the equipment necessary for efficiency combined with economy, are all matters which can be run on the same lines the world over. As Mr. Donald says in his first chapter: "Principles of management are recognized as having a well-nigh universal value and applicability". Applications of principles may, however, vary according to the conditions in each particular situation, but we can consider that the subject has been covered so thoroughly and exhaustively that all the information possibly required is contained in the four hundred odd pages in this book.

Cost Accounts, by L. Whittem Hawkins, F.C.A. (Gee & Co., 10s. 6d.)

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The Logic of Industrial Organization, by P. Sargant Florence (Kegan Paul, 10s. 6d.)

The Speaker's Art, by William Shakespeare. (Putnam, 2s.)

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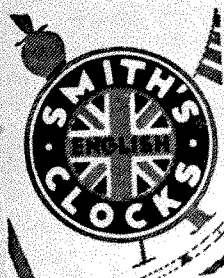
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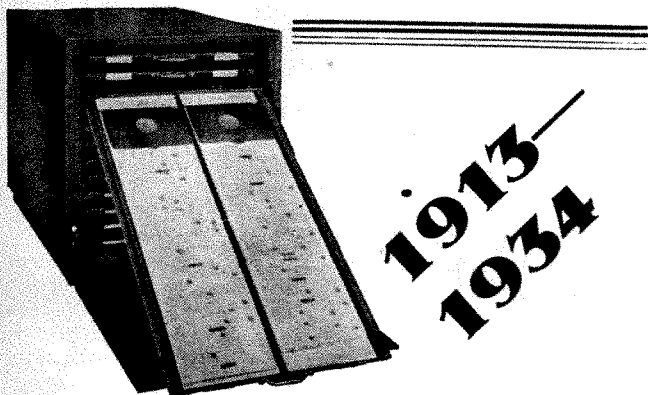
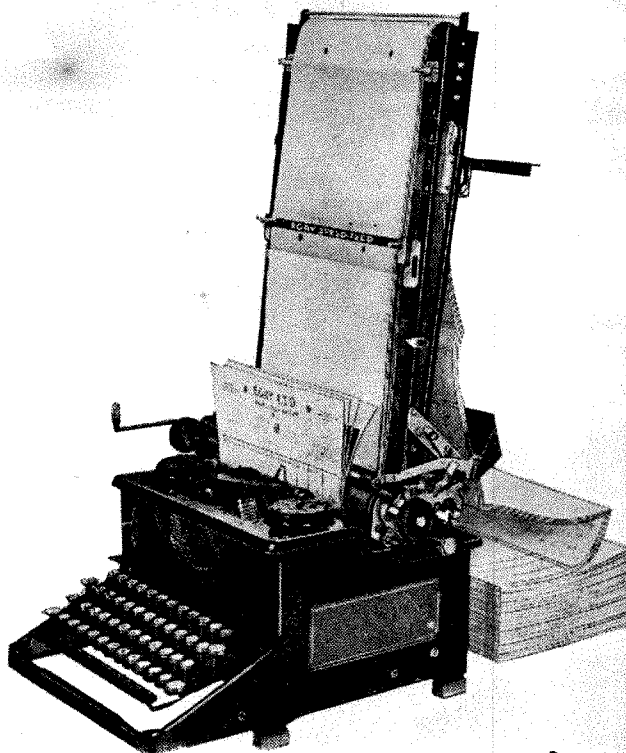
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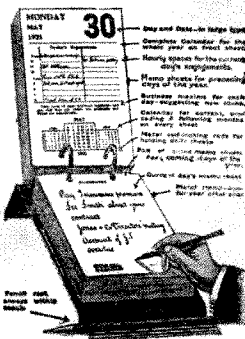
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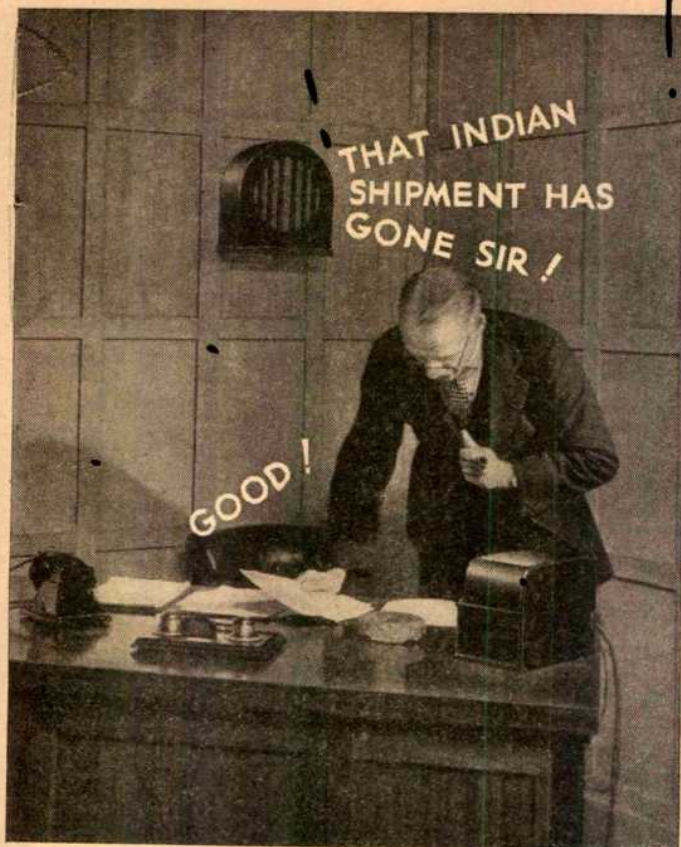


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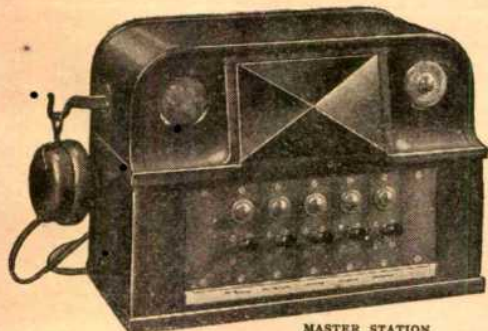
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BUSINESS

AUGUST, 1934



MORE THINKING LESS SUPERVISION

That's Our Management Policy

By E. M. COTTER DAVIS

Horstman Appliances Manufacturing Company

Industry is creating an immense number of non-producers who are part and parcel of the army of producers. The workman who understands that he is made responsible for his job ought to require very little supervision.

Take a group of ten men. If they will produce as well without a foreman as with one, then it is better for everybody in business that there should not be a foreman, for that foreman's wages must come out of the wages of the ten workers. It means that the manufacturer's overhead will be considerably increased. Moreover, there are ten men who might easily be the richer from higher wages if money for so much supervision was not withdrawn.

Dealing fairly and squarely on a give-and-take basis with those who work with you is by no means all there is to business, but I do say that unless this kind of relation exists, nothing else counts for much.

Here are some of the practical points about men that I have learned in many years of executive experience. What I have learned is elementary. Everything of any importance that one learns is elementary. Furthermore, what I have learned applies to an organization of three men as truly as it applies to one of 10,000, for I have noticed that the small business often carries the larger percentage of unnecessary overhead expense.

There used to be a notion, and

probably it still exists, that once a man becomes a proprietor—once he "owns the show"—it is somehow the duty of the business to support him. That is, the proprietor transforms himself from a useful worker into a useless bit of overhead. I do not suggest that this is by any means the rule, but there is a *tendency* that way, particularly in small businesses.

Too Much Directing Lowers the Works Standard

I am thoroughly convinced that there is too much directing everywhere in industry and that in consequence we are producing a race of workers who are afraid of responsibility, who are afraid of thinking out their own tasks, and want to be supervised and directed in the most minute detail. We employers frequently complain about this. We say that our people will not do anything they are not told to do. It is true that they will not, but the fault is with *management*, and not with the worker.

I have seen the ridiculous case of one man and one man only, working

at low wages with another man supervising him at high wages.

This sort of thing is very serious from several angles. It increases the cost of the work, and therefore decreases the amount of work which can be done. Also it decreases wages, and this again decreases the number of people who can afford to have work done. Finally, it actually lowers the quality of the work—which is a point that is not recognized by a great number of business men.

We think that intensive supervision and inspection make for better and more careful work. In fact, they make for exactly the opposite. A man or woman working directly under the nose of a supervisor is relieved of all responsibility for the work. That is the sole reason for putting the supervisor there. And so the attention of the workman shifts from the work to satisfying the man over him. The supervisor in turn wants to satisfy the man over him. The work then becomes secondary to the desire to avoid blame or censure.

Of course work is "inspected"—indeed its entire quality is left pretty much to the judgment of an inspector, but I have yet to know an inspector whose work did not in the course of time become purely mechanical. So the net result of these elaborate and expensive provisions for good work is that nobody is directly responsible. Everybody dodges the responsibility.

These views as to the effect on work of closely applied supervision are open to controversy. In publishing them BUSINESS does not necessarily endorse the author's opinions.

"There is too much close supervision of workers in industry.

"A man or woman working under close scrutiny of a superior feels relieved as to responsibility for the work. His or her main attention shifts from the actual work to merely satisfying the supervisor. The quality of the work becomes secondary to the desire to avoid blame or censure.

"Industry's loss thus is two-fold—(1) A tendency to inferior work, and (2) Heavy costs from high wages paid to an army of non-producing supervisors.

"In our firm we have no non-producing supervisors; we prefer the system of working foremen and forewomen at essential key points only. We get better work, smoother co-operation among the rank and file, and lower costs."

Removing the Responsibility also Removes Pleasure of Work

About the worse thing you can do to a man is to take away his responsibility, for then you take away what pleasure he may find in his work, and eventually you get a sheep-like man who cannot think for himself in or out of the shop and must be directed like a puppet on a stage.

In our offices and works we have been trying to educate men to use their brains and their ability to think and work for themselves by gradually decreasing the amount of supervision. We have made it very plain to every worker that it is the *quality* of the work that counts—that it is not enough to go through the motions of working merely to satisfy a foreman or a supervisor.

Left to it, the Worker does a Much Better Job

We get much better products as a result of abolishing intensive supervision. The man at the bench knows whether a piece of material is right or not, and if it is up to him to decide, his judgment can be relied on. But if it is no part of his duty to use judgment, then it is human nature for him to take what comes to him, passing the responsibility for a decision on to the inspector.

I do not know how many inspectors we should have to-day were we still following the methods of 10 years ago, but I do know that we should have at least four times the number which to-day we find quite sufficient. In wages and costs alone this means an enormous economy.

More than this, practically all of our supervisors are workmen as well as supervisors. I believe in the working foreman. He can do more by example than he can by words. The non-working foreman giving a direction to a man may be met with:

"If you don't like the way I'm doing this, do it yourself."

Why We Prefer to have Working-Foremen

The first-class working foreman will never get that sort of an answer, because, if he is fit to be a director, he is showing his worth as a workman every minute of the day. We have working foremen not only because by their production they lower the cost of supervision, but because by being expert workmen themselves they are better able to keep their own people in hand.

The best way to save cost is to save where unnecessary costs are being created—to reduce the army of supervisors—to select good workers in the first place, then to put them on their merits and let them boss themselves.

The best way, where the job is a small one and there are only a few to do the work, is for the supervisor to work with the men. Let him take up the tools, or whatever it is, and he can do more "supervising", do more good, and save more money, by himself showing the men how to do their work easily, and how to do more of it, than he can by standing around, generally finding fault, and making the men in the plant uncomfortable and unhappy.

We Want to Pay High Wages If We Can

This whole matter of paying wages has always bothered me, for high wages—which are the only kind of wages I like—cannot be paid simply because one wishes to pay them. They have to come out of the work, and the problem of management is to see that they do come out of the work.

But in a highly competitive industry, such as ours, it is difficult to keep wages up, in spite of the fact that we have large capital resources and maintain a line of distribution which cuts out as many intermediate profits and wastes as possible. We have the added difficulty that our business is constantly shifting and changing.

Our principal product used to be of

one type, but because of the changes in taste and demand, the market has been shifting to different styles. There is much more movement in it than there used to be. We have met the movements, anticipated them in fact. But this shifting handicaps the management in its effort to put through production at the lowest possible cost while paying the highest possible wages. There is a constant adjustment of designs, patterns, plant lay-out, sales campaigns, etc.

Because the problem is hard, that is no reason for dodging it, and we have gone about its solution in four general ways: first, by increasing the effective power of the worker through the use of efficient machinery; second, by cutting down non-producers; third, by increasing the buying power of the wage; and fourth, by distributing a bonus at the end of the year.

Piece Work Methods to Reduce Costs

In cutting out non-producers we have gone very far—not merely in the matter of decreasing supervision, as I explained before, but also in putting every employee possible on piece-work.

We have not yet devised a satisfactory method of fitting a fair piece-work system to the service men, cleaners, watchmen and so on, but I hope some day to find a method of doing this.

However, for several years past we have operated certain kinds of office work on the piece-work basis, the result being lowered costs and an increase in average earning to the worker.

Another way of increasing wages is by increasing their purchasing power without increasing their money content, and this is the kind of increase that helps most in a keenly competitive market, for it does not get into the price of the goods. But this is only possible to any extent with very large concerns which can offer such things as low-price medical services, run their own provision and food stores, perhaps clothing shops, dwelling houses, and so on. In other words, it reduces the cost of living for the employees. It is an ideal, but not often practicable, except to a very small extent, by the average firm.

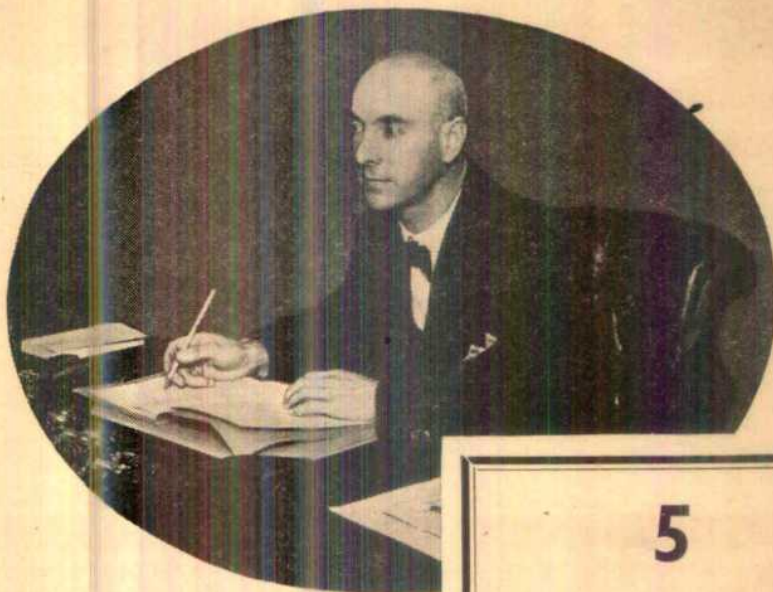
The principal item of expense for any working man is the cost of food. To meet this problem for our workers, we have certainly established restaurants in connection with our factories. These restaurants serve regular meals every day for a minimum price.

This factor at least helps to lower the cost of living of our employees.

When supervision is cut down and employees are using their brains and initiative, a bonus on output is an excellent incentive, even though piece work methods of payment are in force. We ourselves, however, cannot yet give any definite information about bonus schemes as we are still experimenting. We have not yet found the ideal ratios to suit our particular requirements, but we do say that, in general, we have found that the principle pays.

Do YOU WATCH These MANAGEMENT POINTS ?

By
C. W. BRETT, M.I.W.E.
Managing Director
Barimar, Ltd.



Business men cannot be reminded too often of the need to re-adjust their businesses. Changes in conditions and public taste which to-day come quickly, and often without warning, make it imperative to be ever watchful and to keep a policy of management which is flexible to a degree.

We all assume comfortably that we are doing so, but few of us, in a close examination, would find that everything possible was being done in this direction. No sane man will let matters slide, but each individual has his own idea of the heads under which an overhauling should be made. The five points given below are not placed in order of importance; I believe that each is as important as the others, and that all are essential.

Marketing and Sales Efforts :

Businesses find themselves faced with lost markets. What are you doing to (a) obviate this as much as possible; (b) to find new markets to replace lost ones? Do your salesmen, who are in constant touch with users, faithfully and promptly report back user reactions to your products and to those of your competitors. Have you a responsible member of the management out among customers observing, suggesting, testing, with the idea of getting all the threads of feeling and information which will enable you to keep your products abreast of demand as users' ideas and needs change?

Do you use research to find the *future trends* of customers' demand and to create, ahead of time, new products to replace old ones? Do you examine into the possibilities of booming new uses for old products so as to give them new life?

Amalgamation and Rationalisation :

Competition is a good thing, but, run riot, it is distinctly bad. Intelligent grouping can result in: (a) Pooled brains which will yield better results in the way of new designs; (b) More direct and economic management through centralization; (c) Reduced overhead costs through unification of methods and materials; (d) Greater sales efforts

through concentration of forces; (e) Reduced waste through prevention of overlapping in ranges of models, plant, buildings, etc.

Have you gone carefully into this question to see if it would be actually (not merely theoretically) profitable to merge with one or more of your competitors?

Management and Personnel

What of the management and executive staff? Are they individually as vigilant as formerly? Are any of them tending to get into a rut? Have any departments become unnecessary? What "dead wood" can be revitalized and switched over to newer and more practical work? Do you need any new department to take care of and develop modern requirements?

What about the ordinary staff? Are they kept on their toes? Are there any "dead" jobs that should be reorganized? What about incentives for better work and output? Have you tried co-partnership? Would it work in your business?

What about a House magazine; is your staff sufficiently large to enable an interesting, as well as a stimulating, magazine to be issued monthly or even quarterly? But do not start a house organ unless you can keep it going.

Costs and Prices

The vital questions of raw materials, prices and costs must be studied continuously. Have you installed the most modern systems for dealing with this side of the business for it is here that

5

"Every business needs constant overhauling. I consider these five points to be of paramount importance in making a scrutiny from the management angle."

mechanization has done more than anything else to give to management the closest control. You have nothing to lose and everything to gain by calling in a specialist to look at this aspect of your business; you may be missing something that may make all the difference to your net profits curve. *Histories* of prices and costs no longer suffice; you need *current* facts and *forecasts*. You can have them if you use the right systems.

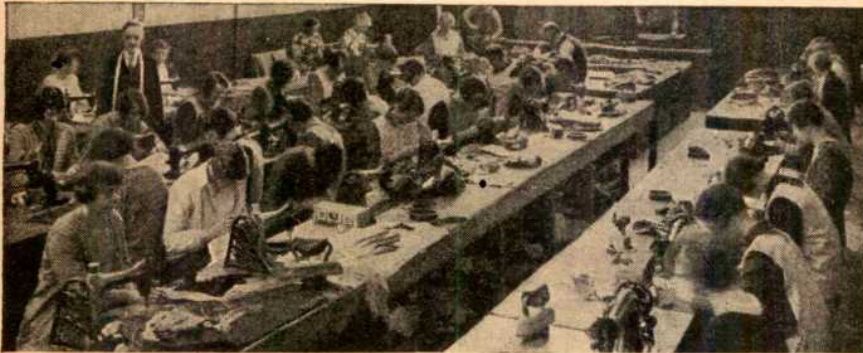
Plant Replacement :

It is no platitude to urge the use of really modern plant. Do you know what your competitors are doing in this way? Do you study the plans and methods in factories other than in your own line of business for economies and ideas? Do you cost each machine's work and know the moment it falls behind; the capabilities of other and newer machines? Do you "scrap" boldly and by accurately calculated results, or just in a haphazard manner? Do your technical men travel around so that they know what and where machine developments and production improvement are being made? Above all, do they report such information promptly to the management and do you look seriously into it?

A FAMILY STRANGLEHOLD

was on this business

By THE GENERAL MANAGER of a Textile Manufacturing Firm



The following is a concrete case involving a firm well known in its particular sphere of the textile trade, but we are not permitted to publish the name of the company. It is amazing that in post-war times a potentially profitable business should be allowed to get into the state of chaos which reigned here. It is astonishing that such elementary, fundamental errors should be not only committed, but persisted in. However, such was the case—until modern system came to the rescue.—ED.

WHEN I began the task of reorganizing the textile manufacturing concern which is the subject of this short survey, I found it to be in a state of such confusion that it was approaching collapse.

The firm was, or rather had been, one of those good old-fashioned institutions, started in 1860, and run on strict, narrow lines by the grandfather, then the father, of the present members of the family.

In those days the firm made a considerable and steady profit. When the War came it made a small fortune. A few years after the War, six sons took over the business, appointed themselves directors, and proceeded to run it with, roughly, 700 employees.

From this point onwards, for a matter of eight years or so, the balance sheets took on a sadly lopsided appearance. Profits disappeared, capital reserves were drawn upon, until the limit was almost reached.

The position as I found it was rather extraordinary; extraordinary in that though the faults were sticking out a mile, not one of the six directors seemed to notice them, or indeed to have any idea where to look for them.

In brief, I found the condition thus: Machinery and plant quite good, modern stuff. Manufacturing methods good and works personnel supervision fair. On the administration side, how-

ever, there was such a muddle it was difficult to see where to begin to disentangle it.

I put it this way: Production was fairly good, output was reasonable, so goods were available for the market; that was that point. But there was no revenue, let alone profits, for the company. Why, if plenty of goods were being manufactured? The answer was: there were no sales. Alright, that established another major point, so the administration side had to be tackled from that angle.

On the board there were the six directors, all ostensibly working, but only two of them doing real jobs. Number one was the managing director, but really doing the duty of general manager. He was handling the whole of the production side, including personnel, doing all the buying of materials and running what there was of the office and routine sides of the business. He was a sadly overworked man.

Number two was acting as secretary of the company, handling the finance and accountancy, both policy and routine ends of it.

The four other directors had no specific jobs at all; they fiddled about, had a bit of a go at everything but were definitely responsible for nothing, though they drew pretty fair salaries.

The Working Directors had no Specific Jobs

And this despite the fact that the concern had no sales manager or sales organization, no one to look after publicity, no one to co-ordinate orders with production, packing and delivery; no one to look after costs of any sort or to manage stocks. It was amazing.

My first act, therefore, was to take some of the work off the managing director-general manager and put him to concentrate on a field for which he

was most suited, *i.e.*, production. I allocated to myself the position of general manager and assumed absolute responsibility for everything. The managing director was left to be nominal head of the firm—but without actual responsibility.

Next, I tackled the other directors. The secretary I left in possession of the accounts department; he was alright for the time being. The other four, however, were a problem. One was appointed sales manager while the remaining three were relegated to very minor though definite departmental jobs.

This movement of the heads of the business was not accomplished without a great deal of difficulty and upset. But, going on the basis that desperate conditions needed desperate remedies, I eventually established the point that a prompt clearance was absolutely vital if the financial position was to be saved. In this way I secured a clear field.

Works Were Producing Stocks that Did Not Sell

Then began the comb out in more complete detail. Revenue was urgently needed, so the problem of sales was tackled. Production was already on a full-time basis, but the goods were not selling. Why?

The first thing that struck me was the enormous size of stocks which did not seem to move. No wonder they did not move; the managing director had been keeping the factory busy on products for stock based on ideas which he personally had a liking for, but which bore absolutely no relation to the actual needs of the market, with which he was not even in close touch. In between times of working on stock the six hundred odd hands turned out such orders as came in from the salesmen. But there was no "line up" as to the urgency of actual orders and no check on the time they were to be finished and dispatched. An order, when it came in, just took pot luck.

As to salesmen, there were fifteen on the road, spread all over the country. Each had a good car—provided by the firm—and each had pretty well a free hand in the matter of drawing expenses. There was no one at head office to whom they could look for control or guidance; they submitted no reports, and, on the whole, had a fairly good life of it.

Another fault about the arrangement of salesmen which had been allowed to

Six brothers owned and directed this concern. The result was confusion, friction and continuously increasing losses over a period of eight years until an S.O.S. brought an organiser who stopped the rot by . . . well, read the story

go on was the fact that the distant grounds were not worked by resident salesmen, but by men who, on Mondays, had to travel from Yorkshire anything up to 250 miles before reaching their territories. That, of course, made Mondays a dead day; and as they spent Fridays (and sometimes Thursdays) doing the 250 odd miles home again, the 'working week' was cut a bit short!

Salesmen Were Made to Reside on their Grounds

Naturally, the salesmen did not mind. They were on a salary, and expenses which were not closely examined; also, the car was free, so should they worry?

The reorganization here was drastic. The distant salesmen had to become resident in their areas or make way for local appointments. A system of strict daily reports as to work and expenses was instituted. The cars were still to be provided by the firm, but only a fixed weekly scale of carefully worked out running and maintenance expenses was allowed.

The newly-appointed sales manager was ordered to control very closely on these points.

The salesmen themselves were elated, not depressed, by this switch over. They welcomed the really positive contact with head office as they could foresee that they would now get some helpful sales backing, a thing which they had completely lacked before.

The huge, almost useless, stocks in the warehouse were jobbed off at any price they would fetch. The salesmen, as people having contact with the markets and knowing the current needs, were called to head office for a conference. At this meeting the production and sales managers and myself were present. We asked the salesmen to say, frankly and honestly, what designs customers wanted and what would sell well.

The lads jumped at this opportunity; they were sick of hawking round the unsuitable stuff previously given them. The result was some fifty good suggestions. These suggestions were finally whittled down to about thirty lines, the best sellers of the lot, and the factory was at once put on making these for stock.

This plan filled the gap which occurred when manufacture of the old type stock was stopped. It got the plant busy again, busy on stuff that would sell.

At the same time still more new designs were drawn up, and some of the

best from the old ranges were included. The salesmen were also instructed to start a new canvassing campaign for orders ahead.

The old range of manufacture had covered about 150 different lines of goods. Most of these were cut out and the new lines based upon about 50 standard designs.

This allowed a reshuffle in the plant and factory lay-out. Machines were switched over so that logical, fairly straight lines of production, were possible. The warehouse was divided into sections and a modern visible system of stock recording was installed—and a responsible individual appointed to take charge of it.

Next came the costing and price fixing. The old goods, though they would not sell on account of unsuitability, also had another barrier against them. Their prices were all wrong. There had been no system of proper buying and no adequate method of costing. All the new lines that were launched were therefore the subject of an up-to-date costing system which we installed. The new goods were thus readily saleable, not only because of their modern appeal, but also because their prices were keenly competitive.

The Too-old Employees were Pensioned Off

Now we were getting down to something like order. On the production and selling sides a great deal of the overhead had been cut, and means of revenue definitely launched. But there was much yet to do; overheads were to come down still more.

Among the 700 staff were many who had grown very old in the company's service. We had to face the hard fact that such elements could not be included in a really modern reorganization. The plunge was taken, therefore, and nearly a hundred people, in office

(Continued on page 29)

SOME of the Troubles

No Sales Manager, no sales organization

Fifteen Salesmen, all with free cars, some living 250 miles from their territories; no one to control them

Goods made for Stock from works manager's pet ideas without regard to their suitability for the market

No Costing System, prices all wrong

Four Directors, all 'passengers'

No Stock Control

No system of Follow-through for Orders, Packing and Despatch



Should Salesmen



Handle Disputes and Collections ?

By E. P. B. LAWRENCE

The writer of this article has spent many years in the horticultural trade of England, Ireland and the U.S.A., as a travelling salesman and later in executive sales capacities. The methods he outlines will be found applicable in many other businesses

No matter how carefully your business is conducted, however 'perfect' your methods, things will sometimes come adrift. Deliveries are delayed; a customer's instructions (probably not clearly given) are misunderstood; something is missing from a consignment; or a good customer forgets to pay his bill. Everything may be straightened out in the long run and everybody made happy. But intelligent, tactful handling must be ensured all along the line.

Who is best qualified to do this ambassadorial work? The salesman who calls on the customer to solicit his business, or head office?

There are two sharply divergent viewpoints, both backed by many forceful arguments. If the matter, whatever it may be, is handled by the office and the customer does not feel fully satisfied with the adjustment, he is apt to vent his annoyance on the salesman, and give him a vigorous calling down for something with which he has had nothing to do.

When, as a salesman, I have been confronted with a situation of that kind, I used to find it the best way out of the difficulty to take the attitude that it was too bad: "but those people in the office don't see things as we do, who are in closer personal contact with the customers. Don't worry any more about it, I'll have a talk with them when I get back."

In such a case I never failed to keep my word, and often succeeded in obtaining some further small concession which has pleased my customer, and to some extent enhanced my standing with him.

IN FAVOUR OF OFFICE DECISIONS

1. Salesman Retains His Personal Goodwill

There is here, I believe, one big advantage in relegating the settlement of matters of this kind to the office. The salesman, whatever the outcome, has the chance to retain his personal goodwill. It is realized by the customer that if everything is not to his liking, the salesman is not to blame.

2. Customer Gets More Impartial Treatment

Another advantage that may be legitimately claimed for head office adjustment is a more detached and impersonal treatment. Without doubt, the salesman is apt to be unconsciously biased in favour of his customer. Without perhaps realizing it, he may be apt even to take the attitude of attorney for the customer *v.* his firm. On the other hand, the office will go to work in an impersonal, judicial sort of way, and reach a solution—fair, possibly generous, and in the end acceptable to the complainant.

Once, when I was a salesman for a wholesale house, I called on a country customer, and found him much upset through having been charged for a consignment he had received over a year ago, and claimed to have returned. He said he had no delivery receipt as he had posted it to my firm to show that the goods were coming back. My firm denied ever having received the goods or the receipt. Matters reached a deadlock, and we were on the way toward losing a good customer.

I suppose I must have represented the matter rather strongly on my return, as a compromise arrangement was soon arrived at which saved the situation. I asked the sales manager whether I ought not to have tried to settle the matter personally on the spot, as by doing so I should probably have secured an immediate order which was actually placed elsewhere. "No," was his emphatic reply. "Leave that part of it alone. What you have to do is to get orders. Most of our business comes to us through our salesmen, and the amount we get depends on the impression they make, and their popularity with our customers. Refer all disputes back here. If he is so unreasonable as to be dissatisfied with whatever adjustment we offer he will not, at any rate, hold it against you personally."

3. Salesmen Can Spend More Time Selling

Another factor in favour of office adjustments is the saving of the salesman's valuable time. A travelling salesman spends only a small part of his time in actual contact with customers. Most firms feel, therefore, that all the limited time that a salesman can spend face to face with his customers should be occupied in selling, rather than in account collecting, arguing over differences, and so forth.

IN FAVOUR OF SALESMEN'S DECISIONS

1. The Salesman Knows His Customer

In favour of the settlement of differences and disputes entirely, or almost entirely, by the salesman, are some considerations too important to be overlooked. The salesman who calls on the customer regularly, probably knows him better than anyone else who could be delegated to handle the matter. He can size up his customer, and his probable attitude. He will know if he is of the type to make unreasonable complaints or demands, or seek to take the utmost advantage of every small irregularity. He will also be able to judge of the *kind* of adjustment that will appeal to his customer, and best satisfy him. In many cases the salesman can come to a satisfactory arrangement with a disgruntled customer in the

• (Continued on page 29)

HOW IS Business?

WORLD TRADE PATCHY . . . BRITISH TRADE IMPROVING



The four chief factors which indicate the trade situation are: Unemployment—Volume of Production—Retail Sales—Exports.

A comparison of these month by month, and from one year to the next, gives an accurate picture of the *general* business situation and the *general* trade trend; but the general picture is made up out of a number of separate details, each of which does not necessarily conform to the general design.

British v. World Situation

This is the situation this month: by and large, the trend of trade continues upwards; but some main factors are not along the same lines; certain specific industries do not conform to the upward trend; and there are a number of "buts" now attached to many of the factors which are well worth the business man's taking into consideration.

It is the failure of the great industrial European countries and the U.S.A. to bring about the same rehabilitation of their economic situation as the Empire has effected which is retarding world prosperity and a greater measure of British prosperity. And, paradoxically, it is not business itself which is responsible for the bad business situation; it is primarily due to political causes and social pressure.

The chances are that the greatest drags on world recovery to-day will get worse before they get better. These three drags are: the German political and economic situation; the American economic recovery situations; the exchange and import restrictions in the raw material producing countries, such as South American and the Baltic States. In other words, these countries have got to experience the fallacy of

their policies to the full before they are forced back to the right tracks. Neither the U.S.A. nor the European countries give any promise of early improvement.

Six Reasons for Empire Trade Improvement

Meantime, Great Britain and the Empire appear to be following the only course that is open to them in order to improve both their internal and their international trade positions.

The question is being asked more and more often: what has produced the better business situation in Great Britain? The answer is: six primary causes:

First a government which has had the confidence of the business community, which had the courage to balance the budget which reduced the playing of politics to the lowest limits.

Secondly, the depreciation of the £ to a figure which has brought it into firm relation with other currencies and competitive world levels.

Thirdly, protective tariffs which stimulated internal trade.

Fourthly, a stimulated boom in the building industry.

Fifthly, agreements with other countries one by one beginning with the Dominions and extending to foreign countries, which increased our exports and gave our exporters an assured position in certain overseas markets.

Sixthly, direct assistance and stimulation to certain industries in order to increase internal production and employment.

Contradictorily enough, we claim that if all governments in all countries had left business alone, the world as a whole would have revived by this time; but there is no doubt that, given the restrictions and interventions of other countries, we would not have experienced our present upturn in business without these last two groups of government co-operation.

State Aid Stimulants to Exports

Our government has made trade arrangements and agreements that have helped our export situation in the following countries: the four Dominions and India through the Ottawa Conference; certain of the Colonies; the following foreign countries: Norway, Sweden, Denmark, Finland, Lithuania, Estonia, Argentine, France.

It is without doubt the agreements with these countries which have been responsible for our 9% increase in exports during the current year amounting to £18,163,216, the increase in our coal exports by 488,391 tons, and the consequent increase in employment in the coal fields, and the increased exports of certain other staple products such as iron and steel, textiles and machinery.

Until a world-wide agreement can be

reached, which is not even a remote possibility now, probably the best service the government can render is to extend and strengthen these trade agreements in every possible direction.

State Aid Stimulants to Home Trade

In internal trade the Government has in one way or another stimulated the following industries:

Agriculture: milk, pigs, beef, tinned goods, potatoes . . . either through tariffs or import restrictions or quotas, or direct subsidy or marketing plans or restrictive control.

The coal industry: through output quotas and trade agreements.

Iron and steel: by encouraging voluntary reorganization on the basis of tariff protection.

Shipping and shipbuilding industries: through a direct subsidy.

Sugar beet industry: through direct subsidies.

All these measures, whether in principle we all agree with them or not, have contributed to our increase in internal production and improvement in trade.

Unemployment is Not so Bad as it Looks

The last unemployment figures show a slight increase (only 2,000) on the previous month. This is a negligible figure in itself, and it is purely seasonal. For it is due to a seasonal increase in unemployment of 65,000 in the coal industry plus another seasonal increase in the woollen and tailoring industry of 20,000. Yet even this big increase in two seasonal industries was nearly made up for by an almost equivalent decrease in unemployment in the distributive trades and hotel services industries, engineering and shipbuilding, shipping and dock services, and other industries.

Here is the Import and Export Position

For the entire first half of 1934 exports are up 9%; total imports are up 14%. The weak point in this whole

The six reasons for the improvement in British trade are:—

1. A reliable Government.
2. The depreciation of the £.
3. Protective tariffs.
4. The boom in building.
5. Reciprocal agreements with overseas countries.
6. Government aid for certain industries.

situation is that while our exports of manufactured goods increased by nearly £11,000,000 in the first six months, our imports of manufactured goods rose by nearly £14,000,000, and our raw material and unmanufactured imports rose by nearly £25,000,000.

The figure for internal production for last quarter has not appeared; it will certainly be above a year ago; and as

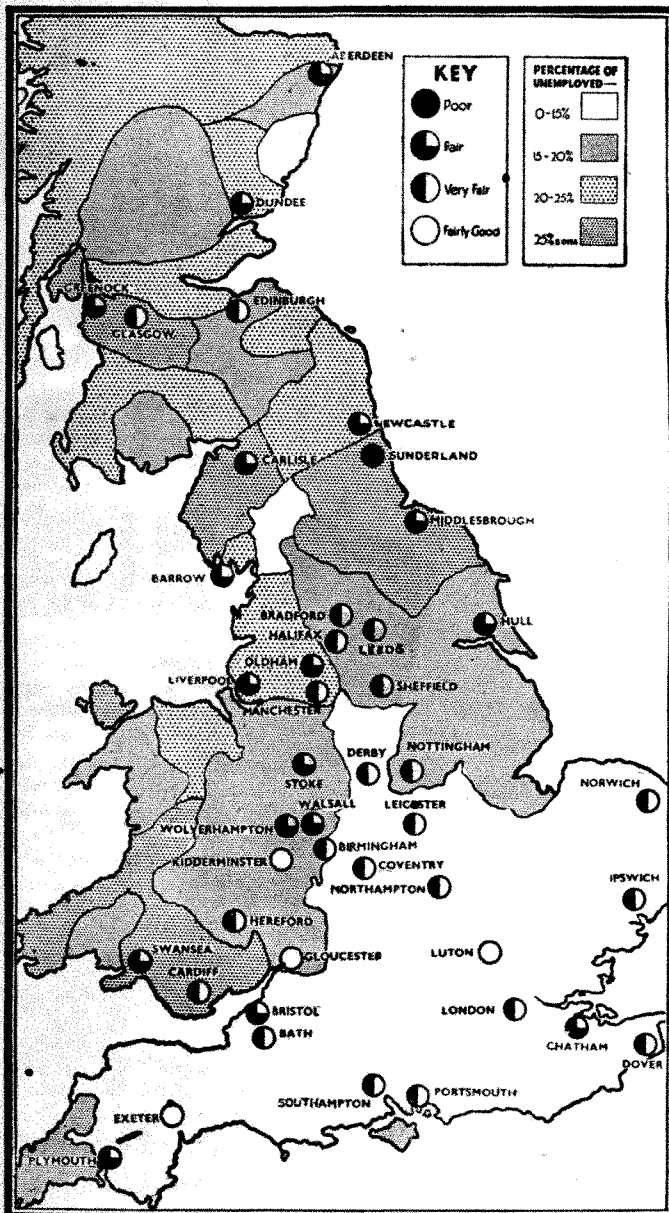
both unemployment and exports and retail sales have increased over a year ago, the figure should be above the previous quarter.

Retail sales are up 2% on a year ago. This is not large, as retail prices are showing a slight increase. But it must be remembered that some of the directions in which a private individual spends his money and which have seen

the largest increase in the past year, do not get in these retail sales figures: such money spent on new houses, motor cars, transport, personal service industries.

Railway traffics are up nearly 3% on a year ago. All the railways have had higher earnings and lower costs this first half year as compared with last. Provincial bank clearings are up 8% on a year ago. Electricity consumption is up by 18%.

HERE IS THE SITUATION THIS MONTH



London Districts: The seasonal falling-off has not affected this district much. The number of unemployed has fallen, and the major industries, especially suburban building operations, are very active. Retailers anticipate a good winter season. The City shows signs of less plentiful money than a year ago, and there is still anxiety about European affairs. Still, British Government securities have entirely recovered from their weakness of a month ago.

E. & S.E. Districts: The lack of rain has had a checking effect on crops, but wheat is reported to be promising. Fishing is better than it was last year. The isolated industries are active, and the sugar beet industry, recently in the limelight, shows a very creditable record. There has been a fall in unemployment, due probably to the season at the coastal resorts.

Midlands: The recession in the iron and steel and the coal industries is responsible for the large increase in unemployment in this area. The lull is merely temporary, and does not extend to every trade, for motor manufacturers are still busy. Although heavy engineering does not show much improvement, light engineering is fairly active.

W. & S.W. Districts: The general level of unemployment is higher this month, but that was to be expected. Although the coal shipments are down, the new Anglo-French agreement ensures a reasonable trade for the future. The iron and steel trade is quiet, and works are operating at 75% capacity. The whole district is experiencing the seasonal lull, except the tinplate trade, which has a fair number of orders in hand.

N.E. Districts: Marine engineering in Scotland is still improving. On Teesside the steel works are fairly busy, but they are making no headway. Both Scottish and Durham coalfields are quiet, accounting for a large part of the increase in unemployment. Farther south, the West Riding woollen trade is quiet, but the prospects for the winter are not bad.

N.W. Districts: Here also there is a seasonal lull in activity, though the cotton trade is better than it was a year ago. Engineering is fairly active, and there has been a drop in unemployment, which is gratifying at this time of the year. The pottery districts have received better orders from abroad.

Cost of Living Up: A Bad Sign

It is a bad sign that while commodity prices are down—production by 2 points and raw materials by 1 point on a month ago—wholesale prices are up by 1.3 and cost of living is up by 3 points both on a month ago and on a year ago.

Agricultural developments, import restrictions and the world-wide endeavour to raise commodity prices are bound, as we have often foretold, to increase retail prices and therefore the cost of living. We must take the bad with the good. By and large, an increase in commodity prices would do us more good than an increase in the cost of living would do us harm.

The present slightly contradictory figures of lower commodity prices on the one hand and higher wholesale prices and cost of living on the other, are probably due to the fact that commodity prices have risen in the last year but that this rise, up to now, as we have often pointed out, has not shown itself in the cost of living; now, however, it has worked down through industry and has produced a rise in retail prices and the cost of living.

Opportunities in Overseas Trade

There are certain bright spots; orders placed in this country by Russia under the new trade agreement have increased 300% over same period last year.

Chile's nitrate exports have increased five-fold. Argentine is determined to export her bumper wheat crops. Therefore both these countries should be able to buy more.

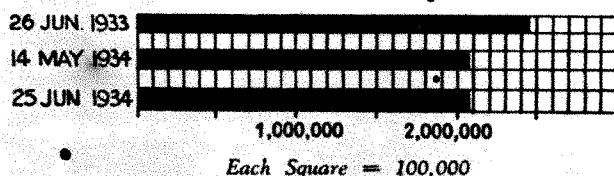
Empire improvement continues. Australia is adding a building boom and even a little gold boom to her wool boom. British exports to Australia are now 53.5% of total exports against 35.2% two years ago. South Africa's wool exports are nearly twice that of last season. New Zealand, likewise, showed a big wool export increase and an over-all expansion of exports of 18% over a year ago; her export surplus is twice that of last year; she is reducing her duties on British goods: all of which makes her a better market for our goods.

Most Basic Industries Still Improving

In nearly all our trade agreements, increased exports of coal are included; by the new French agreement, 58% of

UNEMPLOYMENT - DOWN

Number of Insured Persons Unemployed



all France's coal imports are to come from Great Britain. Lithuania has agreed to take 80% of her coal imports and 50% of her coke from Great Britain; Estonia has made a similar agreement.

The lull in the coal mining industry is reasonable at this time of the year. Yet the position is better than it was a year ago, for although there is a decrease of 1.2% as compared with the figures for May, 1934, in the number of persons employed, there is an increase of .9% over last year, while the output is up 3.7% on last month and 16% on the same month last year. Exports of coal are up 8% on a year ago, and show little change compared with a month ago; exports from Welsh ports have shared in the increase.

Iron and steel exports have also increased and are going to many different destinations, from Finland to Portuguese East Africa and Argentina.

Shipbuilding also has shown a slight improvement. The percentage of unemployment, 46.1, is very high, but it is 1.5% lower than a month ago, and 15.0% lower than a year ago. The tonnage under construction is 104% greater than it was in June last year, and 48.3% of the total world tonnage is under construction in Great Britain.

Cotton, too, is not so good. Unemployment is up by 3,000 on last month. Exports are still higher than a year ago but lower than a month ago. Internal production is probably higher because of restrictions on imports. But most serious is the drop in imports of raw cotton by 14% on last month and by as much as 29% on a year ago. This reflects an unfavourable situation on future output.

These Financial Items Are Good

New company registrations are always an indication of increased activity and improved outlook. During the first half of 1934 public company flotations were nearly three times those of a year ago; private company flotations were 50% up; the number of new companies registered increased by nearly 1,000.

According to calculations made by Sir Josiah Stamp, the general index of industrial profits is 15% higher than last year, the highest for three years. And 1934 profits, judged by the figures which have appeared to date, indicate a proportionate further rise during the current year.

National revenue returns make a good showing. On balance, the first quarter of this year is £5,000,000 better than last year.

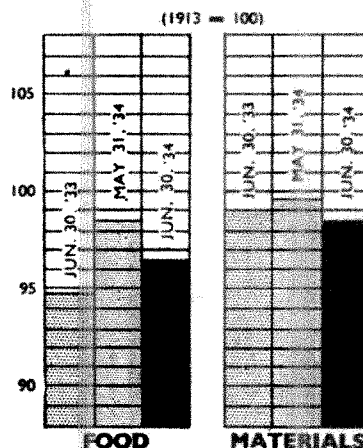
The Chancellor's Survey Is Accurate

The Chancellor of the Exchequer has made what we believe to be an accurate statement of the situation to-day: that there may be at the moment some flattening of the curve of expansion, that this is only temporary, and the improvement will continue; that home production is steadily increasing; that 800,000 more people are employed than a year

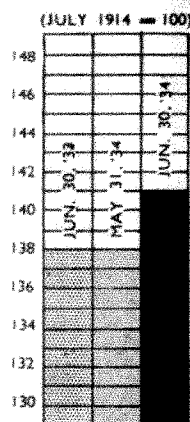
ago; that our retail trade is higher; that this improvement in trade and employment has covered a wide area; that we have begun breaking down trade barriers by commercial agreements; that

exports are expanding; that money is at the cheapest rate for many decades; that debt conversion has eased the national burden and lowered money rates.

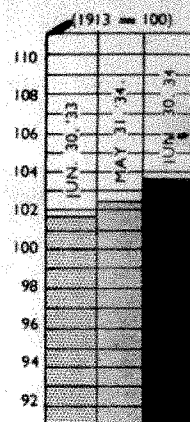
COMMODITY PRICES—UP



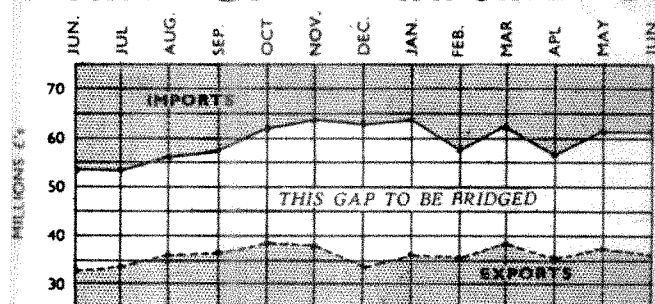
COST OF LIVING—UP



WHOLESALE PRICES—UP

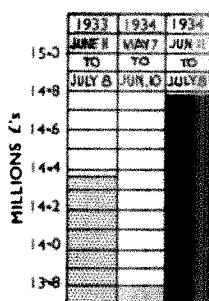


EXPORTS—UP

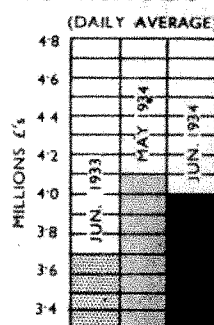


IMPORTS—UP

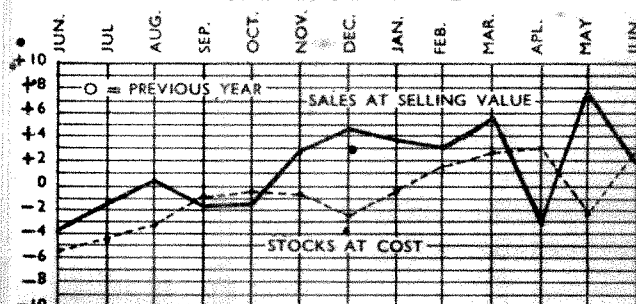
RAILWAY TRAFFICS—UP



PROV. BANK CLEARINGS—UP



RETAIL SALES—UP



Salesmen's Bulletins That DO Help SALES

By
C. V. SHIPLEY

Director:
Chas. V. Shipley & Co.

Let us, for a moment, suppose we are in the house of a resident salesman, about 8 a.m. The postman arrives and brings the weekly sales bulletin from Head Office. The hours of time, the good cash money in materials and postage, the sweat and bother on the part of the sales manager which go to make these bulletins for the salesman in the field—well, what happens to this one?

Mr. Salesman picks it up from the mat, opens it and glances at the front page: "This bilge from head office", he moans, "gives me a pain. . . ." He would say more, but Mrs. Salesman, from somewhere in the quartermaster's department, announces breakfast.

To her expectant enquiry as to what was in the post, her adoring husband merely grunts, "That!" and hurls the unpleasant and unhelpful bulletin slap into the nearest coalbox.

This happens regularly in thousands of salesmen's homes on Friday, Monday or whatever mornings the psychologists at head offices have carefully worked out as the time when salesmen are in their receptive moods and most in need of "urge" and "pep".

I have seen hundreds of these bulletins, but the only impression they made on me was one of amazement at the utter and complete lunacy of the creators of such pages of nonsense.

I have in mind one bulletin in particular, issued twice weekly by a well-known firm employing some 500 salesmen all over the country. Turned out by a so-called "duplicating" machine in the office, even the roughness of the printing offended. But this shortcoming was entirely overshadowed by the crude, exaggerated wording and the infantile standard of alleged humorous drawings. "Sell, SELL, SELL" screamed the text to the accompaniment of sketches showing grotesque salesmen slamming down with a mallet (marked "Persistency") on one of those things at fairs which send up a block of wood to strike a bell (marked "Orders") at the top of a column.

That sort of thing, and crude doggerel describing the opulence which comes to a salesman who begins canvassing at 3 a.m. and works non-stop till 10 p.m., does not amuse or encourage the conscientious man. It simply makes him feel sick in the tummy. Page after page of such stuff slapped at him twice

a week—well, imagine the effect of it on yourself.

Yet, as I say, dozens of firms spend annually pounds and pounds on issuing this sort of thing, imagining they are "keeping the men on their toes", "pepping them up", and so on.

Bad Bulletins can Handicap Salesmen

There is no point in simply ordering a man to sell more, and doing so in a way that rouses his anger or contempt (yes, contempt!) rather than his sympathy. It is reasonable to suppose that he is selling as much as he can, simply because he and his family are usually dependent on his efforts. If you cannot tell him *how* to sell more, do not waste your money on sales bulletins.

I am convinced that these silly sales bulletins are very largely responsible for the negative attitude which salesmen get to their wares. They have little faith left in the head office sales department, and they have even less faith in their goods. Instead of thinking that so-and-so will be a good man to approach, they begin to doubt their own powers to tackle a really big man, and they feel insecure in their jobs.

It is not the object of a sales bulletin to do this.

These Two Points Make A Good Bulletin

A real sales bulletin should do two things:

- (a) It should tell them how to sell; and
- (b) It should tell them how to sell their own particular product.

In this firm, we decided to make our sales bulletins as perfect as we well could. All unnecessary pep and bombast was to be abolished, and the bulletins were to be converted into real sales-aids.

We did it in this manner.

First, every salesman was written to personally by the managing director and asked to put in full reports of his activities and to be absolutely frank about them. It was explained that these reports would be used to build impartial constructive criticism in the near future.

A Progressive Series Was Needed

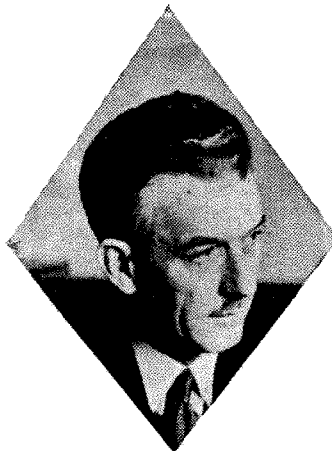
Meanwhile, the three best men in the sales office, all of whom had been on the road in the past, and our two star salesmen, were at work as a committee preparing the perfect sales bulletin. They could not do it. Their conclusion was that a series of eighty odd bulletins was necessary to do what they wanted. Accordingly, this series was prepared.

The first thirty bulletins hardly touched on the question of the actual selling of our product at all. They concentrated on building up the proper attitude of mind for a salesman. This may sound trite, but it is a primary essential for salesmen. Just as nobody would think of seriously asking a bricklayer to write a poem, we decided that it was foolish to ask a man with no grounding in salesmanship to sell our goods. The committee further recommended that in the future we should engage no man who had previously sold similar products to ours, for such men come with a sceptical mind; the men we wanted were those who could be trained to be enthusiastic about goods from the very beginning: if they start off on the right lines they can get the complete technical knowledge later, when they are better prepared to receive it.

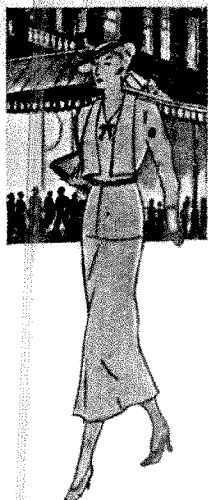
As our bulletins were sent out weekly, thirty weeks passed before we arrived at the actual selling matter. We were prepared to "carry" the men during this period, which was to all intents and purposes one of probation. They were, of course, out on the road all the time, and we had their reports to judge by, so that we were able to see their progress. Every bulletin was signed personally by the sales manager and the managing director. This was done to give the bulletins authority.

Many of the sales staff had been with us in the days before we started these

(Continued on page 32)



Why Do They Walk Out Without Buying?



By
E. J. DEACON
Deacon & Son, Drapers

In a large store it is possible for the sales staff to keep an eye on only a proportion of the customers and prospective customers who wander through the departments. Many come in, walk around, and then, unnoticed, leave without making a purchase.

The large department stores, indeed, encourage this practice; looking upon it as a form of advertising—letting the visitor subconsciously gather the impression that here is a “comfortable” store, a store to visit without incurring approaches by sales people. The management holds the opinion that subconscious impressions of this sort bring the customer back again when he or she is ready to buy. No doubt this factor does work to a certain extent, but, generally speaking, it is not a practice that the smaller shop can afford to employ.

To the majority of retailers the customer who enters the shop and then leaves without making a purchase is a dead loss to the business because, ten to one, her departure has been prompted by some point or other which has not met with her entire satisfaction.

People do not enter any but the big department type of store with the idea of “just looking round”. In such a place, if she lingers in one department and subsequently leaves without buying anything, the assistants do not worry, as it is most probable that the customer has made, or will make, her purchase in some other department of the store.

With the smaller shop it is very different. A caller departing without a purchase should be something to exercise the manager's or the proprietor's mind. Every single case should be the subject of close investigation. In our shop we have made it a major point of policy and the subject of many staff meetings, and quite definitely it has paid.

The reasons why customers leave without buying we have classified under two main heads: (1) Some lapse on the part of the personnel of the shop; (2) Some deficiency in regard to the goods.

The Staff Was Often At Fault

In twelve months of careful observation we found that the reasons nearly all came under the first head. Those which did not were purely elementary and hardly worth mentioning here. They were more or less standard reasons which every retailer knows about. The lapses on the part of the personnel, however, are more important, since they are more difficult to detect, to rectify, and to prevent in the future.

Here are some of the faults we discovered which sent callers away from the shop without buying:

ONE: During busy periods customers allowed to roam about without an assistant giving specific attention. Customers will wait a reasonable time to be served when they see that assistants are busy, but will leave the shop if this period is unduly prolonged.

TWO: Assistant trying to persuade a customer to buy a thing because the assistant herself likes it and uses one similar. Touchy customer resents it being suggested that what would suit a shop assistant would also suit her.

THREE: “Overselling” on the part of assistant who, on discovering that article in stock does not suit, pressed too many alternatives. Customer was given the impression that assistant was trying to “make a sale or bust”. Such an attitude makes the customer subconsciously “cover up” against what seems to her a high-pressure attack.

FOUR: Enthusiastic buyer, having consistently reduced the range of a particular line right down to the quickest sellers only, found he had gone too far and had no stock at all of an admittedly slow-moving but nevertheless quite reasonably to be expected article. Not a frequent fault, this.

FIVE: Assistant revealing annoyance and impatience when customer, obviously wishing to be careful in her choice, viewed many lines without making a final selection. It was discovered that the assistant at the time had a temperature of 103°. The question of staff fitness in the medium and smaller shop is an important matter to which not nearly enough attention is devoted by the proprietor or management.

SIX: When customer was uncertain about the price she wished to pay, assistant repeatedly stressed the most expensive lines and only reluctantly came down to the cheaper ranges. Customer became sensitive, and as she considered the higher prices too much she would not choose a cheaper article, especially, as in this case, there was another assistant looking on critically. The customer resented the scrutiny.

SEVEN: A customer, not well versed in the construction of material she was buying, asked the assistant: “Is it pure silk?” The reply: “Oh, no, madam; not at that price”, delivered in a tone of rather haughty surprise, immediately turned the customer's attitude to one of intense resentment.

The above are a few definite causes why customers were observed to leave the shop without purchasing. Then there were other faults which, while not specifically preventing callers from buying, certainly did not increase their pleasure. These included too pressing attention by assistants or floor walkers before the customer felt she was really in the shop; a lack of willingness to reach articles from windows or display cases; an inability to talk intelligently about the goods in which the customer was interested (*a very important point, this*); slackness in concentrating on the customer being served, thus allowing the customer to feel that she is being accepted more or less on sufferance; discussion of private affairs between assistants within customers' hearing; exchange of looks of annoyance between assistants when customer rather prolongs the sale due to uncertainty of choice, etc.

Slackness Was Cured By A Bonus Scheme

All these faults and their effects were observed and tabulated without the knowledge of the staff. But after the list had been completed and copies made for each employee, a staff meeting was called and the whole matter taken up by myself. It was explained

(Continued on page 31)

In the majority of cases the cause can be traced to faults on the part of the personnel



This article concerns a medium sized, privately owned shop with a sales staff numbering sixteen



THIS WAREHOUSE SERVICE CUTS BRANCH EXPENSES

By

E. W. YOUNGER

Managing Director

E. W. YOUNGER & Co. Ltd.

The old idea that a warehouse was simply a place in which to store goods which are not needed at the moment has disappeared. The scientific and intelligent use of the modern warehousing has become one of the most significant developments in business to-day; it helps materially to solve the problems of distribution which have paradoxically become more complicated as facilities for transport have improved.

At various strategic points about the country there are now available firms which specialize in the handling and distribution of merchandize of all sorts. Their premises are modern and extensive, for the warehouse is no longer a mere store. The new duties of the modern warehouses are to provide for the examining of any kind of goods; the grading, packing, and weighing of various sorts of foods, in fact, the efficient performance of any process except the actual manufacture of the goods.

Hour-by-Hour Records are Kept

The tremendous strides made by the warehouse specialists in the keeping of records have simplified greatly the problem of exact hour-to-hour knowledge of the goods in stock. By the use of a highly specialized system of book-keeping they can now provide the customer, at a moment's notice, with full information as to what quantity of goods he has in stock at any warehouse at any time.

This opens up a tremendous field of business for many traders. For instance, let us assume that a trader finds his business extending, and feels that he can extend it still further by wider distribution of his goods. He immediately thinks of opening a branch office, but unless he is in the happy position of being very well supplied with cash in hand, he will hesitate to do this, on further consideration.

A new branch entails the leasing of suitable premises, as well as the selec-

tion and training of suitable staff. His expenses thus rocket up to some figure between £400—£600 a year before he has any revenue coming from the sales side of the new branch.

Alternatively, he can make use of a warehousing company. On receiving particulars of the weights and sizes of his packages, and any other special considerations, the warehousing company will quote rates for the entire handling of his goods.

A SUPPLEMENTARY SERVICE

linking up with the Warehouse is the 'container' system introduced experimentally a few years ago by the railways, which is now being expanded to its fullest extent. By this system a manufacturer loads his commodity into a container at the works or at a service warehouse and, thus protected, it is taken by rail and road right to the customer's premises, where it is unloaded. The handling it receives here is the first since the commodity was originally packed. The saving in expense of multi-handling is naturally considerable.

If the goods are manufactured in this country they are sent direct from the factory; if they are manufactured abroad, they are shipped to the nearest port to the distribution centre in question, and the warehousing company attends to the discharging, the Customs

formalities and the payment of duty, and checks up on, and informs the original consignee of the actual condition of goods when they arrive at the warehouse ready for delivery to customers.

Instead of an office staff and premises, the merchant now needs only a salesman working the territory to make the desired extension to his business. All the stock, transport and necessary office records being fully kept by the warehouse company as part of their service.

Costs are Cut at These Points

Compared with the cost of an office and staff, which the trader would otherwise have to employ the cost of using a warehouse is distinctly favourable. Insurance varies from 5s. to 7s. 6d. per cent. according to the goods. In the case of goods which are to be delivered directly to a customer without passing through the warehouse a charge for transport alone is made; for all other goods the warehousing charge is based only on the quantity of goods actually in the warehouse. This charge may be according to weight—when it varies between 3d. and 6d. per ton per week—or according to packages, when the variations are slightly different.

As far as ordinary merchandize is concerned, these are the only two charges which a trader has to pay; if however, he desires to have goods weighed out and packaged in his special boxes or cartons, a charge is made for this. The warehouse firms which are advanced enough to undertake this work naturally have the best machinery and facilities, and a trader who enquires for this service will find that he receives a quotation which is thoroughly economic.

There is another advantage from this system of distribution that cannot be overlooked. Specializing as they do in distribution and warehousing, the staffs of these firms are experienced and com-

(Continued on page 28)

for Machine Accounting Kalamazoo Double-Fast is the right Equipment—*Why?*

1 Because - at a turn of the handle - you have either loose cards for posting or a bound book for reference. Your records must be loose - to feed the machine: they must be bound and compact

2 Because of security: Except when accounts are actually being posted, it is a Book and therefore can easily be stored in the safe at night.

3 Because of accessibility: Accounts are stored in convenient units, available for reference at any time. No sheets "out"; records always complete.

4 Because of accuracy: No lost nor misplaced accounts. Single accounts need not be taken away for reference: complete book must be taken.

5 Because of compactness: Occupies a fraction of the space taken by cards. Fifty thousand accounts can be kept within easy range of operator in a floor space of just over one square yard • 3ft. 3ins. by 3ft. 3ins. Five thousand accounts can be housed on a shelf 5ft. wide.

6 Because of economy: Saves time of machine operator and other office departments. Saves costly space on floor and in strong room.

7 Because of portability: It is a Book and can be handled and carried from place to place with ease.

ADVICE

- without obligation

We have a Systems Department and an expert staff for advising on Machine Accounting installations and equipment problems generally.

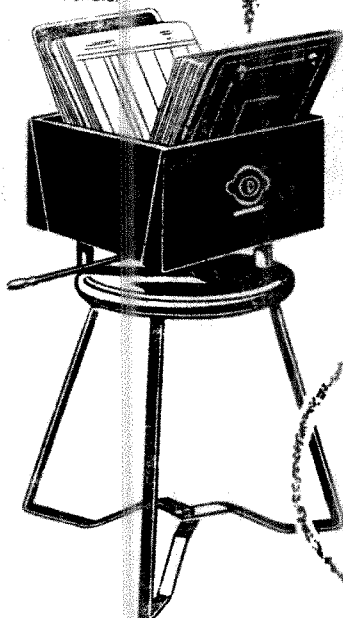
We give full service before, during and after installation. Demonstrations are given gladly.

- to handle efficiently and quickly. The ideal equipment combines these two essentials with no loss of time changing from one to the other. Double-Fast fulfils this ideal in an ideal way.

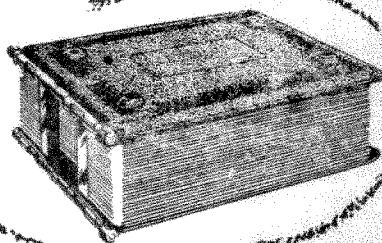
Below is shown the new Machine Accounting Binder — DF Model E.

This remarkable Binder removes what amounts to an incongruity—the use of leather-bound books with metal equipment. It meets metal with metal and at the same price is — stronger — lighter — handier.

... is placed in the Release Stand and becomes a CARD LEDGER AND TRAY at a turn of the handle.



THE BOOK -
bound - convenient - portable...



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Manufacturers of a complete range of modern equipment for
PEN-POSTING ——— VISIBLE RECORDING ——— MACHINE ACCOUNTING

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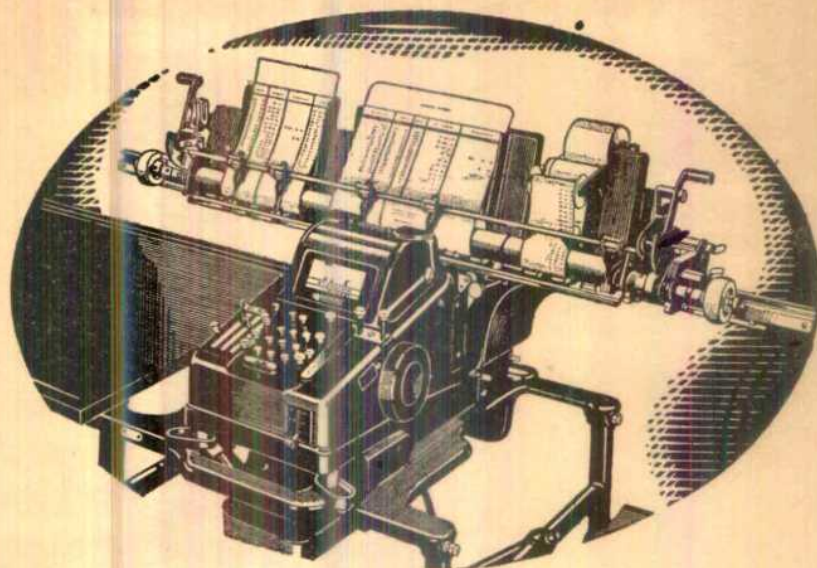
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WE MECHANISED . . .

On this Non-Narrative type of machine with its $3\frac{1}{2}$ in. keyboard and automatic tabulating plate, an operator can post 1,000 items per day



20,000 ACCOUNTS in SEVEN DAYS

We were faced with this problem: It had been decided by the board that our hand written ledgers were a thing of the past, new methods were urgently required. We knew, however, that it was a major reconstruction that we were contemplating and not simply a case of just entering on loose sheets of a ledger by a ledger posting machine. The change would make necessary a complete alteration of procedure throughout the firm.

We started to build from the ground up—what did we require? As is vital in any major reorganization we first put our plan of campaign down on paper. First we had to find out how many of our accounts were really alive in our hand written ledgers. This was done by noting the accounts with whom we had done business over the last three years. The number was found to be approximately 20,000.

Under the hand written ledger methods the entries were taken from a bound day book, this book being the last carbon copy of the invoice. Was it a practical proposition to post from this to machine posted ledgers? We were definitely assured by the suppliers of the machines that it was not, and that if we did attempt it, the speed of posting would be slowed down by one half. Therefore another department came into the picture, the invoice section.

Continuous-Stationery Invoice Machines Came into Play

The machines we had in this department were only suitable for a bound day book so that in our plan of campaign we had to cater for new invoicing machines, capable of using continuous stationery so that one copy of the set would be the unit posting media for the ledger. Similar arrangements had to be made in respect of the credit section and the cashier's office.

The next step in the change was to

find the right type of ledger posting machine for the job. At first it looked as if a narrative type of machine would be necessary, but eventually, after studying all aspects of the problem, it was found that a non-narrative type would give all the information and be speedier in operation. There are various reasons why these machines, if suitable for our type of business, are advantageous. Some of the more prominent are:

1. The width of the keyboard is

By

ERIC L. MARCUS

Chief Accountant

Maconochie Bros., Ltd.

ordered, and machines installed with suitable stationery in the other departments ready for the zero hour when the change over was to take place.

Extra Copy for Posting to New Ledgers

Now let us look at the other side of the problem: What was taking place in the hand written ledger section to link up? Posting was to go on as usual but at this month end, instead of customers' statements being made out in duplicate, one for the customer and the other for the traveller, three copies would be made and the third was the one to provide the opening balances for our new ledgers.

In our plan it was nearly forgotten that this would only give us the debit balances, but instructions were given in time to ensure all balances, both debit and credit, had statements made out for them.

The final step in the scheme of events was the layout for our new ledger department. The writer has had considerable experience of installations where, owing to ill-arranged departments, operators 'stuffing' their own ledgers and other such causes, the efficiency has been much below what it should have been. We did not want to have more labour than was absolutely necessary in the new department, but if we could plan so as to get the right type of labour on the right job, then we should be combining efficiency with low cost.

(Continued on page 28)

Try this Dictation by Numbers Plan

From the GENERAL MANAGER of a manufacturing concern



In the course of your daily dictation how often do you say—"Many thanks for your letter of the—", or words to that effect? How often do you finish up with "assuring you always of our best attention"? You say these things to your typist every time you dictate a letter. And she copies them down every time, too, wasting paper and energy as well as her time and your own.

But in addition to paragraphs of this description you probably repeat yourself dozens of times a day in handling what you might think is specialized correspondence. Every firm receives more or less standardized complaints and queries, and every correspondence clerk sends equally standardized replies.

All this, if dictated, is needless repetition. If you doubt that you repeat yourself so much, try making an analysis of the letters you wrote last week. You will be surprised. You will find that you said the same thing over and over again. And you do that every week—every month—every year. I am not a mathematician but this certainly does represent a considerable amount in cash for time, energy and materials needlessly spent.

There is a simple and effective way to cut this cost. I have applied it myself, and for the six months it has now been in use the results have been most satisfactory. I use what I call my 'standard para book'. I spent an hour or two each evening for a week preparing this book and I know that time has never been put to better advantage.

Look Back Over Your Last Month's Correspondence

First I analysed my correspondence for a month. Perhaps ten per cent of the letters were of such a specialized nature that they called for individual treatment but the others all fell into fairly well defined categories. Some of them answered complaints regarding delivery; some reported on goods returned under guarantee; some were answers to sales inquiries; some confirmed quotations made by salesmen.

In each case the facts were different; but those facts were all wrapped up in

much the same language. I therefore wrote out a number of paragraphs, leaving spaces for the facts. Then I treated all 'courtesy phrases' in the same way. The net result was about thirty little paragraphs; some of them

*Adaptable to any business,
it much reduces the time
and improves the effect
of correspondence*

general; others related to particular branches of the business.

My next job was to make those paragraphs perfect from the 'literary' point of view. Then I had them typed in duplicate on small slips of paper, these being pasted into notebooks, one to a page. Finally I numbered the pages, giving one book to my typist and retaining one myself.

Now when I am dictating I first scribble a number on the letter I am answering. Then perhaps I dictate a

paragraph, following this with another number together with the necessary facts. The numbers, of course, refer to the 'standard paras' in the book.

I am not going to pretend that the system worked perfectly from the start. It did not. Some of the paragraphs were wrong or inadequate. Then it took quite a time to hunt through the book for the number. But the rough spots were soon polished up. To-day the books themselves are rarely used except for confirmation, for both myself and my typist know most of the numbers from memory.

The advantages of the system are unbelievable. Some letters do not need a sentence of dictation. These can be passed to a copy typist who earns less than a competent secretary. In others the dictation is cut in half. Consequently both myself and my typist have more time at our disposal for more important work.

It might be thought that correspondence handled in this way is likely to be stereotyped. Not a bit of it. Actually the letters are better than before. There is an absence of business 'jargon' and every paragraph is nicely put together, much care and thought having been devoted to this point.

No hard and fast rules can be laid down regarding the adoption of this system. Individual conditions must be the governing factor. But in principle it can be adopted in almost every business. Every departmental head or executive can, if he will, halve his dictation period the 'standard para' way.



This department deals with customers' accounts and is part of a new office block opened in the Bournville factory of Cadbury Bros. Ltd. Note the fine arrangements for natural lighting: clear glass in roof and completely along two sides. The colour scheme of decoration, pale green and white, still further helps the effect of this arrangement. The floor is of marble boards, lino covered along gangways. The pneumatic tube, seen in centre of picture, communicates direct with the stock room. The long 'table' on the extreme right is a filing cabinet specially designed for the particular work

What the MODERN Office SHOULD Be

By P. J. Hannon, M.P.; Vice-Chairman: B.S.A., Ltd.; Director: The Daimler Co. Ltd.;
Director: Lea & Perrins, Ltd.; etc.

In this country, there still exists a measure of detachment between the organization of the office and organization of the workshop, which, in my judgment, is not good for business as a whole. After much experience in industry in this country, I consider that there should be some sort of staff arrangement by which those employed in the directive side of organization should make themselves responsible for closer contact between the office and the workshop.

I want to say a word about office personnel, and the training of clerks. I was reading recently a very valuable paper which was given at a meeting held at Nottingham on the subject of the selection of young workers.

Here is a Plan for Personnel Selection

The reader of the paper was the works manager of a large enterprise, and he said that entry into industry should be organized on a basis by which youngsters leaving school could be brought into contact with some sort of clearing-house under the guidance of a supervisor. I use the words "clearing-house" to convey the idea of an organization in some industrial centre where manual work and office work should be subject to a form of examination whereby the best points of the worker can be considered before a selection is made. And then the reader of this paper urged that contact be kept up by the supervisor with these people who pass into the factory, so that the capacity to make their proper and profitable contribution to the firm, as a whole, could be constantly under review; and that there should be some sort of alliance with the factory, both on the executive side and with the schools from which these young people come.

I believe that in the organization of the office, as in the organization of the factory, sufficient care is not given to the selective processes by which we get these young people to become legionnaires. It is a question of character; of keenness; of personal cleanliness; of politeness, and the more subtle qualities which make a good commercial traveller. All these points are vitally important. And then a decent knowledge of English; a decent knowledge of arithmetic both the mental and ordinary processes by which a business is kept up. If we can get that class of person into our offices who, in the ordinary course of development will

reflect these characteristics, we are making sound and wholesome equipment for the office of the future.

Office Workers' Output should be Costed

In one of my companies we have a time basis, where the work is carefully measured and where the relative qualities of each worker can be estimated by the cost accounting department. I would like to see something of that sort introduced into all our large offices. I would like the principle of cost accounting for work done in the actual industry itself applied to the clerk just as it is applied to the factory worker. Whether that can be done in face of the conservative feeling so prevalent to-day remains to be seen. Organizations are concerned principally with the making of profits; getting a return for the energy, time, capital and labour which is employed.

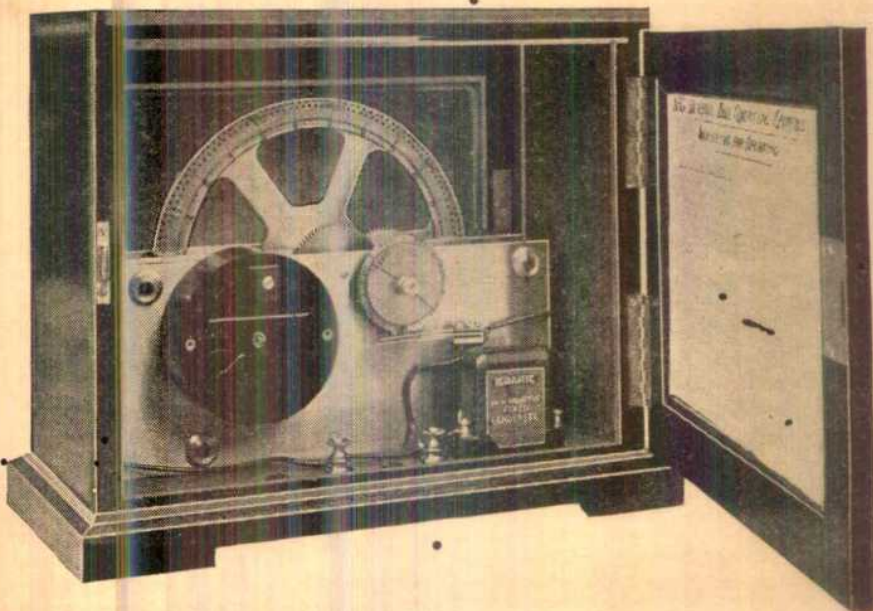
I am quite convinced that in many large businesses in this country, the organization in the office is of a much lower standard than the organization outside, and the only practical suggestion is that office management should

be on the same level as in the outside factory, where manual labour produces the articles which the office must sell.

Then there is the question of adjusting your office. Some form of standardization in relation to equipment and office organization is of great importance. Standardization not necessarily by laying down hard and fast rules, but by some evolutionary process reaching a standard which will give a maximum of efficiency. I hold strongly that team work in business organizations is just as important as team work in sport. I would like to see a real understanding between all heads of departments and the workers concerned. I am sometimes astounded to find that the head of one branch knows nothing of the outlook of the head of another branch. There should be co-operation between the heads of departments; and secondly, between the heads and their staffs.

The office ought to be:—(a) *The Birthplace of Ideas*. (b) *The G.H.Q. of Business*. (c) *The Centre of Control*.

[Abstracted from a paper: "The Office of the Future", read before the Office Appliance Trades Association of Great Britain and Ireland, in London, June 11th, 1934.]



Working on the principle of the synchronous clock this new device automatically operates bells, hooters or other signal sounds from time-controlled A.C. electric mains, thus providing at all points of an organization, dead accuracy of control

These INCENTIVES

Buck Up REPETITIVE WORK

The question of incentives, financial and otherwise, and their effect on the 'will to work' is one of the most important—and difficult—with which management has to deal. Mass production has created a number of jobs which none but a mental defective could find interesting, and which, therefore, depend for their interest on some external incentive. Of such incentives the most important is the weekly wage; and the report here summarized describes one of the few attempts made to investigate—by close observation of a small group of workers for a period of about a year—the effects of different methods of payment under working conditions.

The subjects of the experiment were ten girls aged between 15 and 16 years, engaged on wrapping and packing toffee. Each worker learned and became experienced in five processes (1) unwrapping, (2) wrapping, (3) packing, (4) weighing, (5) weighing and wrapping. The girls worked in pairs, each pair working on one of the five processes on one day each week (Saturday mornings were spent in special tests and answering questions* about their attitude towards the work and the working conditions). The hours were from 8 to 12 and 1 to 5, a quarter of an hour in each spell being devoted to answering questions about feelings of fitness, boredom, fatigue, etc.

Different Payment Schemes Were Tried

None of the girls had had any previous experience in the work and they were at first paid a fixed weekly wage. This method was continued for nine weeks, and was followed by a competitive bonus system for fifteen weeks. The girls were ranked each week according to output and the slowest received the same wage as on the time system. The next in order of output was given an additional sixpence, and so on

This article is abstracted from a summary made by Miss Margaret Horsly, of the National Institute of Industrial Psychology (published in the Institute's organ, "The Human Factor", May, 1934), of the work, "Incentives in Repetitive Work", by S. Wyatt, L. Frost, and F. G. L. Stock (Ind. Health Res. Bd. Report No. 69. London, H.M. Stationery Office, 1934). The graphs are reproduced by permission of H.M. Stationery Office.

throughout the group, so that the quickest worker earned 4s. 6d. more than the slowest. This system was followed by a flat piece-rate for twelve weeks.

Output Increased after Every Change

The relative output and rate of improvement under the different systems is shown in Fig. 1. Each

**Under the payment-by-results
system output rose AND
workers were happier because
they earned more money and
were less bored by the work**

change in the method of payment produced a large and immediate increase in output, 46%, when the bonus system was introduced, and a further 30% when the bonus was replaced by piece-rates. Under each system the rate of work, after a few minor fluctuations, became stabilized at a more or less uniform level.

What the Workers Said about the System

The girls were asked to give their impressions of the different payment systems. Here are some typical comments:—

Time Rate:

Worker C.—"This method isn't half as interesting as the others. We can slack or work hard and still get the same wage; no chance to earn more than the fixed amount. Boring and time seems to drag."

Worker F.—"Time-rate is good when a girl cannot work as well as the others. I do not like it as it is not fair. Some

girls work hard but others slack, yet they get the same wage."

Worker J.—"There is no encouragement to work; the only time I like this method is when I am not in form."

Bonus Rate:

Worker A.—"Fairer than time-rate, makes us work harder to get to the top. Still, if we slack we cannot get less than the time-rate. A girl might do a lot more than another and only get 6d. more. Makes you keener to do more work, and the more work you do the quicker the time goes."

Worker D.—"I like bonus because I shall not get less than a certain amount, yet if I want to make a bit more money I can hurry. Work is not so dull."

Worker E.—"Bonus is better than time; you can earn more and work is not so dull."

Worker G.—"Everybody gains by it. It was nice to have the honour of being top as well as getting the higher wage. You have to do your best or the other girls will beat you."

Piece-Rate:

Worker C.—"Gives us all an equal chance and your wages do not depend on what others do. Interesting as you feel you are earning something all the time you work."

Worker G.—"Piece-rate is best because it depends on yourself. More tiring than the others, but not so dull."

Worker H.—"When I am able to work well I like a piece-rate, but sometimes I would rather be paid by time."

Worker J.—"Interesting because we have an idea how much we are earning as we go along."

The piece-rate proved more popular than the bonus system and both were unhesitatingly preferred to the time-rate. The higher output under the payment-by-result systems, therefore, could in no sense be said to have been obtained at the expense of the workers' well-being or happiness.

(Continued on page 27)

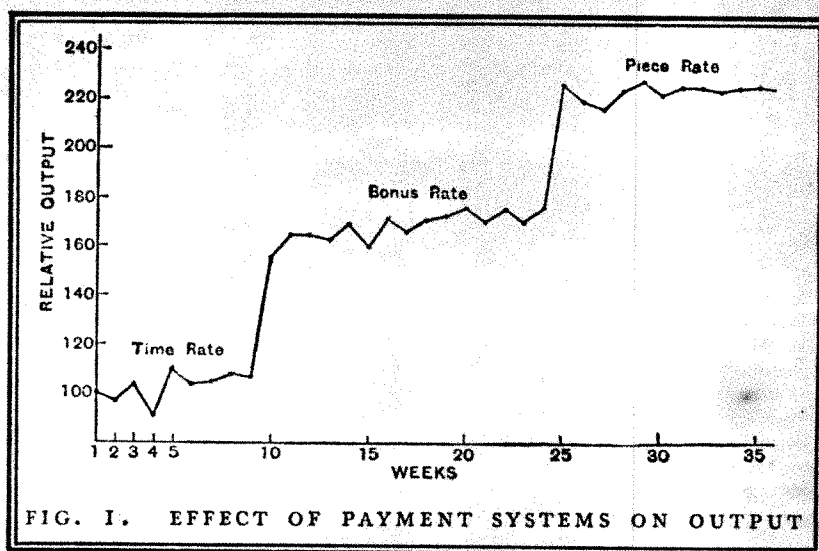


FIG. 1. EFFECT OF PAYMENT SYSTEMS ON OUTPUT

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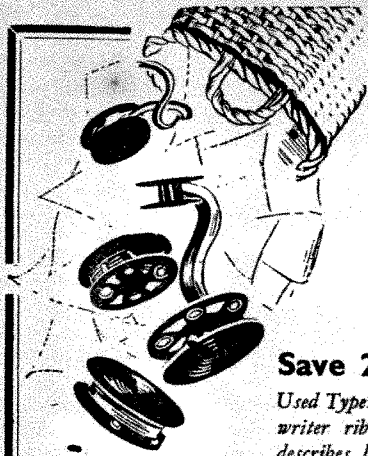
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Numbers (see Index on page 5)

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THE BROADER VIEW

By ROBERT R. UPDEGRAFF

Plus Money

Compensations

Have you ever stopped to think that there are many other compensations for the workers in your employ other than pounds and shillings?

Fully as important as the salary at the end of the week or month are the other satisfactions of working—good equipment, pleasant working conditions, recognition of work well done, responsibility where deserved, progress in the business, a friendly word with the "chief", and freedom from undue worry as to loss of employment.

I am convinced that compensations of this sort often have more to do with the quality of work and the spirit of a staff than the actual money compensation. Perhaps some half-happy member of your staff needs more encouragement rather than more pay.

Specifications and Solutions

It is interesting to turn the aims and

objectives of your business into concrete specifications. More than that, it is an exceedingly useful procedure.

What, exactly, is to be accomplished?

If this question, as related to your own enterprise, is faithfully answered, more often than not a simple, crystal-clear answer will reveal *how* the objective might be attained.

Actually, many of our problems are not solved more easily for the simple reason that they are never thoroughly analysed. When problems are reduced to crisp, definite specifications, our thinking is focused more sharply, and often the means of accomplishment is revealed.

Try writing the objectives and problems of your own business into specifications. You are likely to be agreeably surprised at the result.

Success is a Journey

Someone has well said: "Success is a journey, not a destination." Happiness is to be found along the way, not at

the end of the road—for then the journey is over and it is too late.

To-day, this hour, this minute, is the day, the hour, the minute, for each of us to sense the fact that life is good, with all its trials and troubles—and actually perhaps more interesting *because* of them!

By the same token, this is the day, the hour, the minute, to think and plan and work for greater success and satisfaction *along the way*, by doing the particular task at hand better than we have ever done it before—and perhaps a little better than it has ever been done before by *anybody*.

Having done this, we shall discover that our journey through life is a highly enjoyable adventure, and that our destination matters less than we had supposed.

Here is the policy of a well-known manufacturing house, written by the head of the business in the salesman's manuals: "The Salesman who thinks his first duty is selling is absolutely wrong. His *first* and *most important* duty is to make friends for his house. He is to do this, or at least his utmost towards it, whether he makes a sale or not."

These Incentives Buck-up Repetitive Work.

(Continued from page 24)

At First Competition Caused Quarrels

There was, however, one disadvantage to the bonus and piece-rate systems: their strong appeal to the competitive spirit did not make for good feeling between the workers. Under the time-rate system the girls talked freely and, though bored and indifferent towards the work, were usually on the best of terms with one another. With the bonus system there was a marked change. Quarrels became fairly frequent; some of the girls accused the others of being 'mean' and 'hurrying'; jealousy was shown when an exceptionally high output was attained. The workers, also, were very easily irritated by any condition, real or imagined, which impeded output. To quote from the report: "The toffee was repeatedly said to be too big for the tins; string seemed to develop a tendency to break, and wrapping-paper was blamed as too thin and liable to tear. Yet the material was exactly the same as that used in the time period when complaints were never heard."

The tendency to stimulate these impulses in human nature is, unfortunately, inherent in all systems of payment by results. It can, however, be greatly reduced by suitable selection of workers. In the present case most of the unpleasant incidents arose when a naturally slow worker was placed near a quicker one. Startling effects, both

on output and satisfaction, were obtained when, later, the pairs of workers were re-arranged.

The Work-Curves Revealed These Faults

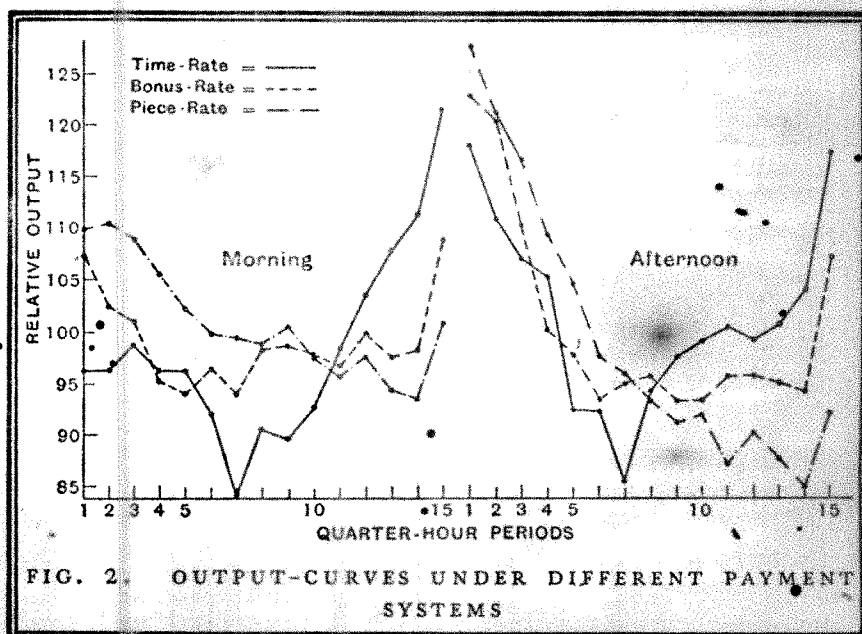
Output-curves under the three different systems of payment are shown in Fig. 2. The time-rate curve is a striking example of the typical 'monotony curve'. The workers started with a disinclination to work, which increased as the morning went on, until they began to look forward to the lunch break. The afternoon curve followed a similar course.

The high output at the end of morn-

ing and afternoon spells suggests that fatigue was negligible. The piece-rate curves, are the only ones which show a decreasing capacity for work as the spell proceeds—though even here we find a typical 'end spurt' in the last quarter of an hour.

The results discussed above relate to the group as a whole; further interesting facts were revealed by study of the output of *individuals*.

[Note: There is not space in this issue to continue the interesting results of this experiment. Next month, however, the facts revealed by experiment on the output of *individuals*, as distinct from *groups*, will be continued. Manufacturers who employ in their organizations any system of mass production will find in these two articles facts of vital importance and interest.—Ed.]



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THIS WAREHOUSE SERVICE CUTS BRANCH EXPENSES

(Continued from page 18)

petent to handle goods of all kinds. The value of this is obvious, as costs frequently result solely from damage incurred through ignorant handling and storage.

This Financial Service Is Important

From the financial side, a good warehousing firm can be of immense use to a trader, for such a firm is an actual banker in merchandize. Many business men purchase whole cargoes at low prices, and warehouse them for two or sometimes three months. In order to prevent the unnecessary idleness of the capital involved in the goods, the warehousing company can issue a warrant on the stock held. This, together with the invoice showing the actual price

paid for the goods, is taken by any of the major banks, who will advance almost the whole of the invoice price on the security of the company's warrant. If the market rises in the meantime and the trader sells some of the stock in the warehouse, this amount is reduced from the warrant.

From this outline of the services which can be rendered by a warehousing company, its importance is clearly visible. For that reason, any business man proposing to make use of a warehousing company should first satisfy himself thoroughly as to its integrity; he should choose his warehouseman as he chooses his banker, for each can provide a most important specialist service to improve the efficiency and reduce the overhead costs of the modern business.

20,000 ACCOUNTS MECHANISED IN 7 DAYS

(Continued from page 21)

Each separate operation of the section was analysed. The machine operators were the first consideration, they would have of necessity thorough knowledge of machine posting. Then there had to be a control clerk also of the

Selection of Suitable Staff is a Vital Point

first calibre, who would see that machine figures really did agree with the control, and finally juniors to do the actual 'stuffing' of the ledgers. The machines were placed in a position so that the operators had a minimum amount of movement in the day and so that everything followed in the natural order of events.

When the day arrived for the change over we wondered how what we had put down on paper would work out in practice. As the ledger clerks finished writing the statements for a ledger, these were handed over to the machine operators to be posted to the new ledger cards. These, when they had been posted, were agreed with a control figure taken out on a small adding machine, ledger by ledger. It was found in practice that the machines had to wait for the statements as they could post faster than the old department could write them. But after seven working days we were ready to start posting the current month.

A question which occurs at this juncture is whether it was not unwise to transfer balances without the old

ledgers being agreed, but it can be pointed out in defence of this practice that as it takes about three weeks after the close of the period to agree, this would have proved too big a handicap to pull up to date, and any differences can be made by journal entry.

It is impossible to have gone through a period such as this without learning valuable lessons. Transferring 20,000 accounts is not a big undertaking if proper preparation is made and even the obvious is looked into for possible difficulties. Care should be taken to make sure that the media which forms the basis of the transfer of the balances is of the unit variety; the writer has heard of cases where firms have tried to transfer direct from the old ledgers with disastrous results.

Much has been written in this article which, from the first glance, does not look connected with the title, but it is by the machine-like co-ordination of all the factors mentioned—and with the close co-operation of the various manufacturers of the machine accounting equipment, that it was possible to transfer 20,000 accounts in 7 days.

TWO - PURPOSE BUSINESS CARD

By ordering his business cards a little larger than usual, a salesman of a well-known concern has obtained a new aid to selling. He attaches a penny stamp to the front of his card, before presenting it to the prospect. The prospect, if he cannot see the salesman at the moment, can then easily get into touch with him by writing on the back of the card and posting it.

A STRANGLEHOLD WAS ON THIS BUSINESS

(Continued from page 11)

and factory, were given adequate pensions or lump payments and retired. This cost a good deal of money, but the investment in virile, modern assistance which it allowed us to make in replacement rendered it an absolutely essential move.

It was, naturally, the heads of departments, the key men, who were the old and out-of-date units. So the need of replacing them with new blood was doubly urgent.

In addition to the retirement of old hands, every item of work in factory and office was carefully gone through. Many profitless jobs were cut out altogether and the routine of many others considerably shortened. It was a matter of microscopically examining the overhead until we got right down to discovering (a) what exactly was the essential work, and essential work only; (b) what was the most efficient way possible of doing it. Every job had to stand up to the tests: "What does it definitely do, does it achieve an actual progressive result?" and "Is there some shorter, better way of doing it?"

These searching tests did not result in wholesale dismissals. True, there were cases where we did not fill the places of old employees pensioned off. In the main, however, the replanning of the work enabled us to retain the employees, as the new, modern departments which were opened up absorbed the people who had been taken off previously unprofitable jobs.

In six months this complete reorganization stopped the losses and almost brought out the accounts to break even. In nine months the accounts were even, and at the end of twelve months working the company showed its first profit—true, a tiny one—in eight years.

SHOULD SALESMEN HANDLE DISPUTES?

(Continued from page 12)

course of a short interview, at a much less cost to the firm than the settlement suggested by the office.

2. *Adjustments Made More Quickly*

A second advantage gained by leaving the matter to the salesman to take care of is that adjustment can be made much more quickly. One of the most important needs in settling disputes is to act without delay and to close the matter promptly. A long correspondence only annoys the man who is, at the outset, in a mood to be irritated. On the other hand, if the salesman

(Continued on page 30)

AN ASSET TO ANY BUSINESS



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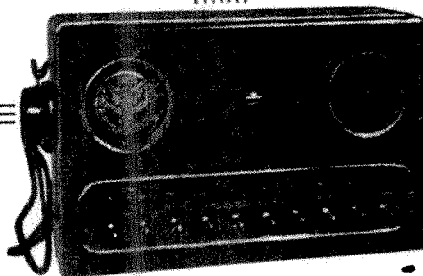
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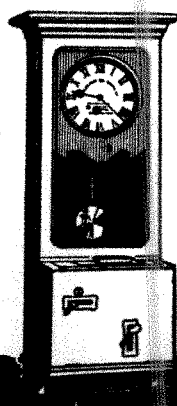
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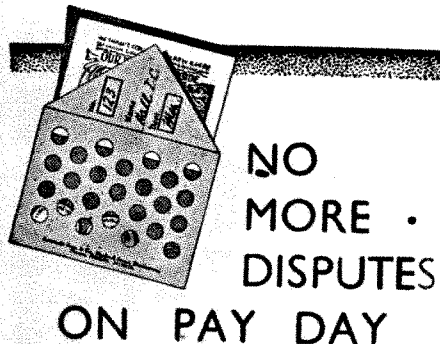
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Free sample Wallets
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LANCASTER BROS. & CO.

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(Continued from page 29)

comes to a satisfactory arrangement verbally, all is forgiven and soon forgotten.

The argument that the salesman's valuable time is wasted by his having to take up such matters is largely discounted by the fact that he will hear all about it from the customer anyway! Whether placated or otherwise, the customer will almost certainly allude to it on the salesman's next visit. He will expect the salesman to know all the details, and to have in his recollection just what was done, or not done. If he should appear to have no knowledge of the incident, the salesman is bound to lose prestige. He will be mentally noted by the customer as a mere order taker, having no deeper relationship to the firm he represents.

3. Here, Office and Salesman Must Co-operate

On the thorny subject of collections, I think that most salesmen prefer having nothing to do with them. Nevertheless, the duty cannot always be shirked. Looking at it by and large, the man who sold the goods is, logically, the man to collect payment; especially if the debtor is inclined to hold off.

To the merchant, it seems the most natural thing in the world to pay the bill he already owes to the man who is in his shop taking an order for more goods. This certainly helps regular and prompt settlements. Yet the salesman who makes collections is apt to find himself involved in much else that lies outside pure selling. My personal opinion is that no salesman can do his work thoroughly and at the same time neglect other things. Whether the firm which employs him approves of it or not, the merchant will take the salesman as representing his house in the fullest sense. Of necessity, the salesman will have to give up some proportion of his time to listening to 'tales of woe' and will be expected to be able to adjust any sort of trouble that may crop up. Specific rules for his guidance may be formulated to cover most contingencies, but in certain circumstances individual discretion and commonsense have to be called into play. The most practical procedure is through the fullest co-operation between the man on the road and the office, neither feeling that the one is usurping the functions of the other. The travelling salesman can often make a quicker and more satisfactory minor adjustment than anyone else, if he feels free to act without interference or quibbling criticism. He will not object to a small proportion of his time being spent thus unremuneratively, as it helps his standing with his customer, and often he can obtain a better order on the strength of it. For the other part, if the amount involved is very considerable, or the case a complicated one, in which there might be a doubt how best to act, he will prefer to discuss the matter fully on his return to headquarters before coming to a decision.



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NEW BOOKS *for the Business Man*

The Future of Book-keeping, by Frederick J. Bloomfield. (Eden Fisher, 7s. 6d.).

What a good pamphlet this book would have made. The idea of real double-entry in a simplified, and therefore, time and cost saving form, is attractive. But the author groans heavily under the trials of the pioneer. He toils along in an irritating and complaining way with his apologies until he gets to the few brief chapters at the end which contain his interesting suggestions. Do away with ledgers in their present form, he says, make the books of original entry tell a complete and continuous story, and use a clear and concise summary book. The illustrations show how it can be done.

If you have sufficient patience to bear with the man who has a grudge against the accounting world, the other man with the ideas has something to say.

Problems of the Nations, by R. B. Mowat (Arrowsmith, 3s. 6d.).

"This book does not aim at being a complete description of the World Depression, nor of the proposed means for ending it." Thus Mr. Mowat in his introduction to this comprehensive account of world problems. The problems discussed refer chiefly to Europe; the United States, necessarily, comes into the discussion and, to a lesser degree, the Far East.

Revolution and Recovery, by R. B. Mowat (Arrowsmith, 6s.).

Recovery slowly goes onward. Mr. Mowat here outlines the forces leading to the depression of 1930-4. He deals principally with the present and future: the American experiment, the policy of restriction, disarmament.

Better Banking, by W. H. Kniffin (McGraw-Hill Publishing Co., 2s.).

This is not a book on banking technique, but rather a treatise on bank management in the light of the depression. At the same time it is not merely written for the bank manager and bank employees, it makes interesting reading for those outside in the world of business.

Sell's Directory of Registered Telegraphic Addresses of the Commonwealth of Australia, 1934.

The official list of Australian Post Office and Registered Telegraphic and Cable addresses for 1934. (Business Dictionaries Ltd., 20s.)

Fundamentals of Industrial Administration, by E. T. Elbourne (Macdonald and Evans, 12s. 6d.).

This textbook is a storehouse of facts set down in a way that is a contrast to the rather heavy title. Its contents should be studied by those who talk glibly about the State taking over industries.

It is in such a readable book as this, and not in the mere codification of production statistics, that the elements of a planned industrial order are to be found; and those who are uncertain whether industrialists are moving with the times will take comfort from Mr. Elbourne's statement that his text "has been written within the framework of a syllabus which represents the common view of what is required." By the common view he

means that of the regular hard-working business man. It is a practical book.

Business Law: Principles and Cases, by Thomas S. Kerr, Professor of Business Law, and Dean of University of Idaho, U.S.A., and Member of the Idaho Bar (Chapman & Hall, 31s.).

A "case" text-book primarily for young men preparing for executive positions.

Depression and Recovery, by D. Yoder and G. R. Davies (McGraw-Hill, 12s.).

The Economics of Advertising, by E. W. Taylor (Allen & Unwin, Ltd., 7s. 6d.).

People are beginning to wonder what will be the final outcome of the great increase in the volume of publicity of modern times. In his new book Mr. Taylor deals with three main headings: The claims made for advertising; criticisms of advertising; advertising and the Press. Under Part I the chapter on Functions of Advertising will be found interesting in relation to market research and modern marketing methods. Altogether the book is extremely interesting to all those who have anything to do with advertising in any form.

Cost Accounting for Control, by Thomas Henry Sanders (McGraw-Hill, 24s.).

Cost accounting is a tool for developing information which will throw light on the many internal and external managerial problems of business. The typical methods of applying this modern and indispensable tool are described in this book. With practical examples and illustrations, cost accounting is shown here applied to:— Financial Control, Operating Control, Sales Policies, Cost Records, Budgets, etc.

The Marketing Institution, by Ralph F. Breyer (McGraw-Hill, 18s.).

WHY DO THEY WALK OUT?

(Continued from page 17)

that the measure was purely constructive and that it had not been made with any idea of dismissals. It was made very clear that if each employee had his or her faults pointed out and would take the trouble to correct them and to accept the management's help in correcting them, it would be financially better for them individually and for the shop as a whole. A bonus scheme based on turnover was instituted as a practical step to back up the idea.

After this first meeting another was called in the following week to ensure that the staff were sold on the plan. Thereafter a short informal meeting was held fortnightly as a "pep" measure and to keep the scheme thoroughly alive.

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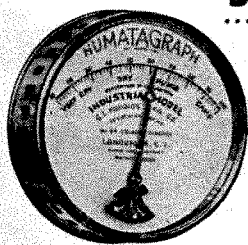
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BULLETINS THAT DO Help SALES

(Continued from page 16)

rational bulletins, and we suspected that the men still treated the bulletins with the contempt which the old bulletins had so richly deserved. The two signatures signified such august approval that this would be prevented in future.

The last fifty bulletins were given up entirely to the actual selling of our product. Each single bulletin dealt with a separate phase of the actual selling. Taking a few at random, they dealt with the use of Verbal Proof Stories (particularly necessary in our line), with methods of closing a sale, with the proper methods of using technical knowledge, and so on. All these and lots of others were useless without the preliminary training which the first thirty bulletins gave, but with that in mind the men could make good use of them.

Reports Made a Basis For Criticism

It was at this point that the reports came in most useful. They had been carefully collected and analysed for thirty weeks. It took a good deal of time, and the first ones to receive attention were those of the new members of the force and those who were putting in low sales figures. They made a surprisingly clear picture, and it was comparatively easy to pick on the real faults which were holding these men back. A personal letter was written to each salesman as the analyses were made, and sent along with the next bulletin. No warning that this letter was coming was given to the men; suddenly, one morning, they opened their mail and found a long letter signed by the sales manager and the managing director, making suggestions for the improvement of their selling technique, and referring to previous bulletins. This letter was a further insurance against the bulletins being neglected. It was more potent than any threat of "Get Sales or Get Out", because it told the men where they personally were going wrong, and it also directed them to practical methods of self-cure.

The later bulletins themselves were not ornate in any way. They were entirely without pictures or embellishments of any sort. They were printed on fairly good paper, and they were couched in sober and reasonable tones which an intelligent man would best appreciate.

The main point about our system is the idea of running a series of bulletins like a correspondence course, which makes it possible to make a connected, logical impression on the salesman's mind, for such an impression is far more useful than a series of temporarily disturbing but permanently useless explo-



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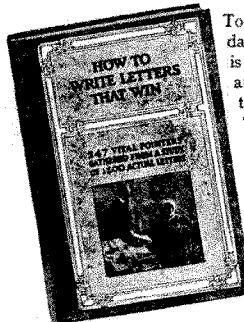
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WHAT IT MEANS
IN THE CONDUCT
OF MODERN
BUSINESS

by THOMAS DIXON



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To-day it is more clearly recognized that the salesman who hopes to succeed must identify himself much more closely with the buyer's interests, that there must be far closer co-operation between buyer and seller for the mutual benefit of both.

The experienced salesman of to-day is, very often, the buyer's guide, philosopher and friend, helping him with sound advice born of his wider knowledge, saving him from many costly mistakes, pointing the way to the most profitable lines of business. That is the direct result of the theory of *service* which is playing an ever-increasing part in the conduct of modern business.

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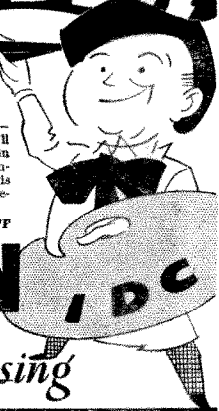
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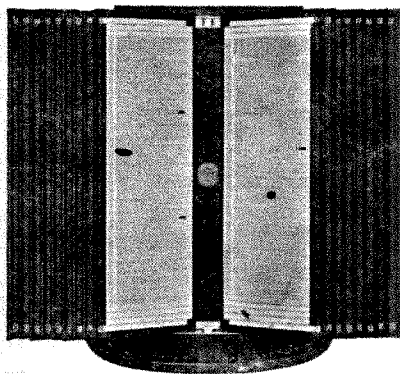
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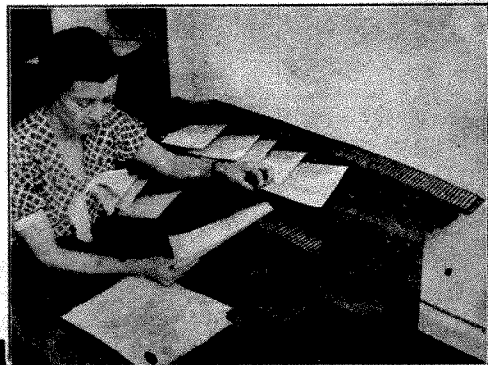
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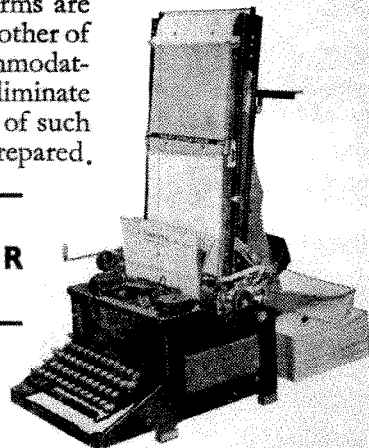
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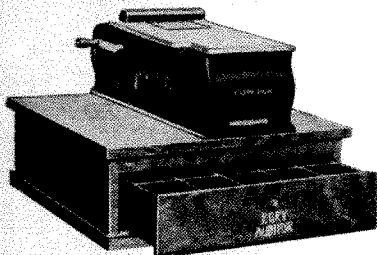
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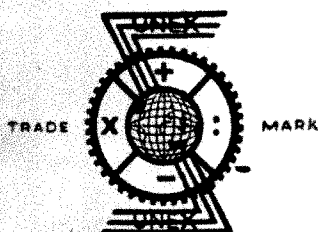
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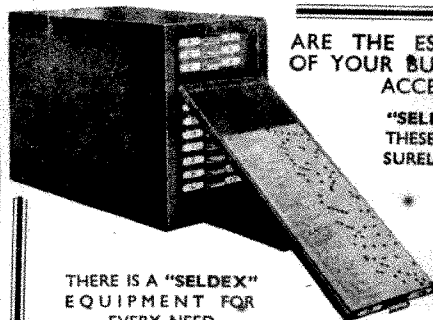
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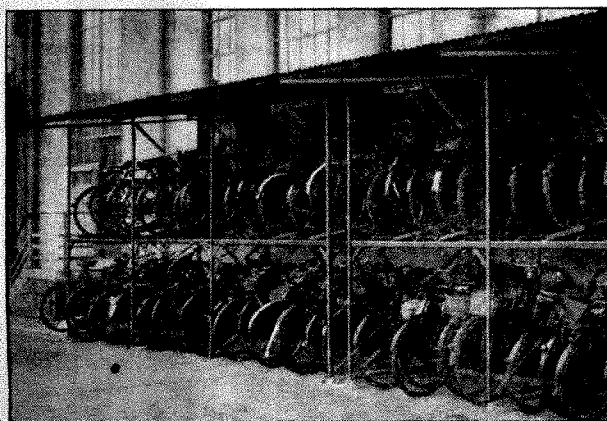
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(11) L. C. Smith & Corona Typewriters, Ltd. (Marchant)	41	(27) Sorter Graf Co.	2	(41) Marshall & Co., Ltd.	44	VISIBLE INDEXES	
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(12) Carriest Carrier Cycle Co.	31	(28) Modern Flooring Co.	42	(42) Drydens	(Inserts)	(62) Infalible Card Selecting Co., Ltd. (Seldex)	4
CASH REGISTERS		FOUNTAIN PENS		(43) Fisher, Knight & Co., Ltd.	40	(63) Kardex	36
(13) Gledhill, G. H. & Sons, Ltd.	44	(29) Jewel Pen Co., Ltd.	24	PRINTING MACHINES		(64) Smiths Systems, Ltd. (Ace)	24
CONTINUOUS STATIONERY		INSURANCE		(44) Kaye's Rotaprint Agency Ltd.	31	WAGE ENVELOPES	
(14) Egry, Ltd.	4	(30) Ideal Benefit Society	42	(45) Lang Clayden, Ltd.	43	(65) Lancaster Bros. & Co.	44
(15) Fanfold, Ltd.	2			SCHOOLS, COLLEGES & COURSES		WEBS & TAPES	
				(46) Metropolitan College	23	(66) French, Thomas & Sons (Inserts)	
				(47) Regent Institute	(Inserts)		
				(48) Speedwriting, Ltd.	42		



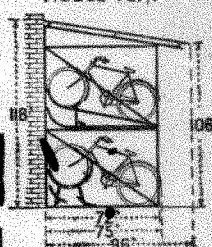
A Model Factory—

Messrs. Hoover Ltd. have one of the most modern factories in Great Britain and the illustration on the left shows the Cycle Park which provides accommodation for 60 cycles. This cycle park is of patented all-steel construction and was supplied by Constructors Ltd.

Over 20 different types of Constructors' Cycle Parks are available and full particulars, together with illustrations of the range of models, are contained in their attractive 12 pp. catalogue.

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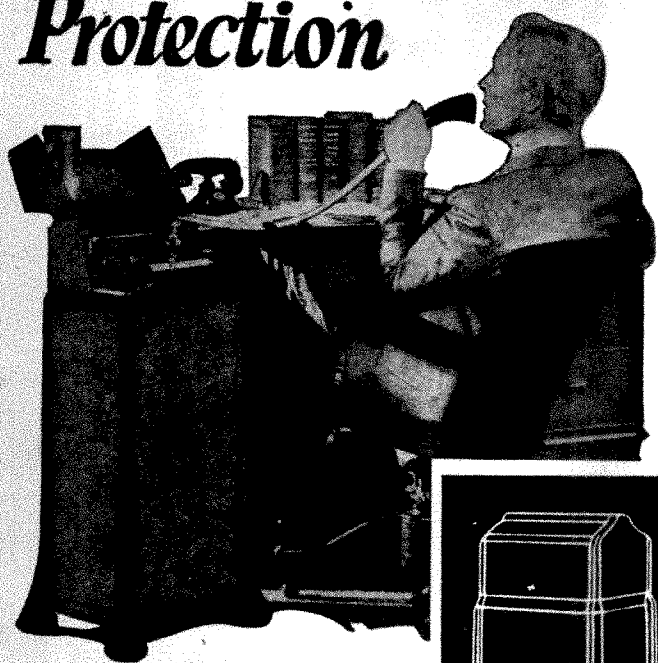
CYCLE PARK
MODEL TCP/F



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CONSTRUCTORS LIMITED, ERDINGTON, BIRMINGHAM

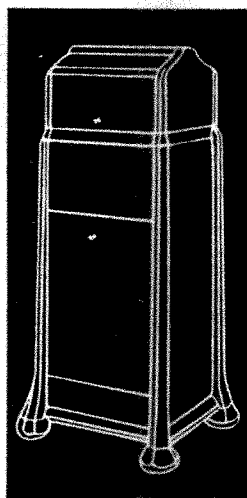
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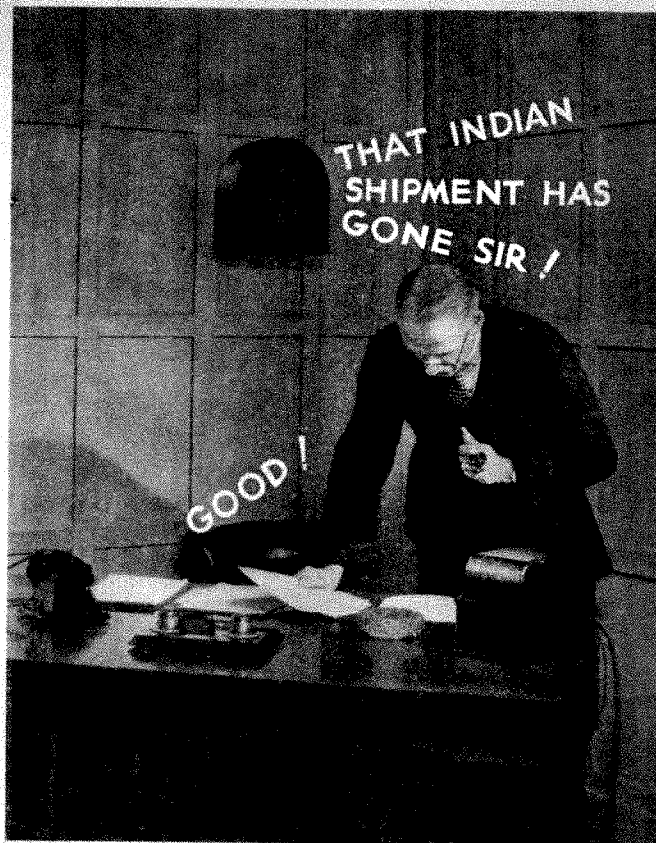
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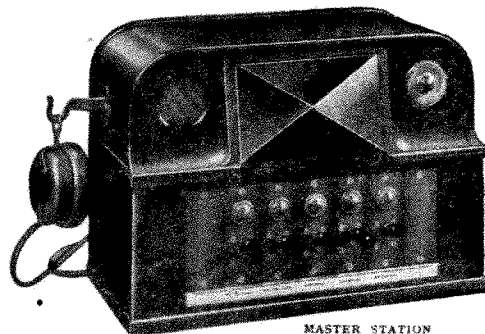
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Just HOW Strong *will this* AUTUMN REVIVAL Be?

By The EDITOR

Great difference of opinion exists as to business prospects for the autumn. Some distinguished authorities, including the Federation of British Industries, Mr. Baldwin and *The Times* believe that the flattening out in the curve of expansion is more than seasonal. Mr. Baldwin fears that "saturation point is within sight" in the home market. The F.B.I. believes that we are not at the beginning of recovery but that "trade is probably already back to normal, having regard to the limitations of the international situation".

On the other hand, with contacts in every industrial centre in the country, Lloyd's Bank is confident that the revival will go ahead this autumn. So is Mr. Runciman. The closely informed *Manchester Guardian* and the *Daily Telegraph* are also equally confident that there are no signs of a setback.

When the experts differ so widely, what is the plain man to assume?

Let us put down the bull and the bear factors; there is not room on this page so we will list them overleaf. With these before us we can weigh the importance of each on the situation. For autumn prospects will turn on the precise balance resulting from the clash of these opposing forces.

However important the increase of international trade may be, however much its stagnation may limit our own power to revive, certain important factors relieve the situation. The first is our proved ability to get a greater share of the Empire's business without losing any great amount of our foreign trade. Through the fall in sterling and the sagacity of his trade agreements Mr. Runciman has been able to keep up our foreign trade to a (relatively) astonishing level, while that of the gold countries dwindles.

An interesting comparison by *The Times* shows that during the past half-

year our exports to our 25 chief foreign markets were only £7,664,000 less than those for the first half of 1931, before we left the gold standard. Although our exports to France were halved and those to Italy and Germany

The TREND of Trade

THE FACTORS

which

WILL DECIDE

(see next page)

For the BUSINESS Weather
Map and employment situation turn to page 32

fell by roughly a third, our shipments to the Dutch West Indies were practically trebled, while Denmark took nearly 50% more, and our exports increased to Sweden, Rumania, Portugal, and Finland. In other words the sterling block was almost entirely responsible for the chief increases.

It is true, though, that during the same period our exports to Empire markets fell by just under £2,000,000. Since the tariff war resulted in a loss of £5,250,000 of exports to the Irish Free State, it is clear that there was a gain of over £3,000,000 to the Empire proper. Australia took £4,680,000 more of our goods; South Africa £3,000,000 more.

The interesting result is that while our exports to the Empire rose from 43.8% to 45.1% the rest of the world still took 54.9% as compared with 56.2%.

These Are Export Opportunities

What we have lost in business with the gold bloc has been very largely made up to us by orders from the sterling bloc and the Empire (outside the Free State).

Of course these figures can be read in another sense. You may say that they show inability on the part of the Empire to absorb any very much greater amount of our goods. Certainly our imports from the Empire in the past half-year increased by £14,000,000 over the same period in 1931; yet the Empire took nearly

THESE FACTORS WILL DECIDE

FOR RECOVERY

Home

Building boom continues: Estimate for 1934-5, 350,000 dwelling houses
 Iron and Steel output rising
 Coal trade steady
 Engineering improvement continues
 Shipbuilding steadier
 Rayon outlook for autumn good
 Motor industry breaking output records
 Commodity Prices rising
 Railway earnings up £3,500,000
 Revenue returns fair
 Electricity output rising

Foreign

Foreign trade increasing
 U.S. foreign trade increase
 Exports to Australia and New Zealand rising
 Anglo-French trade agreement
 Lithuanian trade agreement

Psychological Factor

Manufacturers' increasing confidence in competitive price, due to better methods

AGAINST RECOVERY

Home

Wholesale prices down .1% in July
 Provincial Bank Clearings down
 Unemployment 33,000 up
 Wool trade weakening
 Threats of cotton strike



Foreign

U.S. drought, and labour trouble
 U.S. revival will be late this autumn
 Germany boycotts raw materials
 Dutch coal quota reduced
 Further decline in registered tonnage at work

Psychological Factor

Danger of U.S.A. competition through cheaper dollar
 Danger of mark and franc devaluation

£2,000,000 less of our manufactured goods. But these figures cover a period of low commodity prices. The countries whose commodities rose in price, i.e., Australia's wool and South Africa's gold, increased their purchases from us. May we not expect the same result if a rise in the price of wheat assists Canada and that of rubber our Malayan dependencies?

But we are not at the end of the possibilities of foreign trade within the gold bloc. The new Anglo-French agreement restores all the quotas. Even the agreement with Latvia ensures us 80% of her coal orders (with a minimum of 178,000 metric tons a year), along with 50% of her entire coke imports. Altogether the coal industry is selling upwards of 3,000,000 tons abroad as a result of our foreign agreements.

Yet we have an import surplus with

most of these countries. While we remain their best customers, there is no reason why political bargaining, reinforced by manufacturing ingenuity and marketing skill, should not increase our share of their business. All these countries are looking forward to better times. This should mean increased imports, particularly of the luxury goods in which we specialize.

"Saturation Point" is a Myth

Perhaps the least tenable of the arguments against the resumption of the revival during the autumn is Mr. Baldwin's fear of "saturation point". No one has ever defined that marketing bogey, but it has many times been laid by enterprising industries. The motor trade was supposed to have reached

saturation point in 1927; but sales went steadily on. The wireless trade has been reaching saturation point every autumn for five years; but it continues to break its own sales records.

Saturation point is largely a myth, for the pool of internal purchasing power is never fixed. The slightest increase of prosperity in a single industry widens it. During each of the last three years it has mightily expanded. Not merely better business in many industries but every improvement of the technique in credit-giving, every cheapening of money, expands it.

The interesting point is what is likely to happen to the pool of credit this autumn? Will it expand, contract, or remain stationary?

The factors making for recovery suggest that considerable expansion is possible, for the core of the present revival is the boom in building, just as the heart of the American setback is the complete absence of building enterprise.

Building Boom A Fine Pointer

Already houses are being built at the rate of 300,000 a year. If the present rate is maintained a record of 350,000 new dwellings is expected for the coming year. Further, the building of factories is going ahead on a big scale. During the last quarter plans for factories valued at £1,479,500 were passed, compared with plans worth £899,100 in 1933.

The solidity of a building boom as a basis of prosperity can be seen from a few figures. To it the railways owe some of their £3,500,000 increase in business during the past half-year. The L.N.E.R. is running a "daily brick express" from the Peterborough brickfields. Every brickfield is working to capacity. Cement is booming; timber imports are at a record figure; almost every pottery making tiles is fully employed; the hardware trades have benefited; so have the glass, light castings, plumbing, paint and a host of other trades.

To the building boom the iron and steel trade also owes part of its prosperity. The preference of many councils for steel and concrete construction is well known. Their confidence in the future may be judged by the big new plants now going up at Cardiff for Guest Keen & Nettlefolds and for the British Iron and Steel Co. These trades depended on exports for their large output in the past. They are not likely to find similar export possibilities in the near future, but they have now a protected home market; they have also big possibilities in Empire markets and in the sterling countries.

The coal trade has improved, although it must face a permanently lower level on its export side. The new process of low temperature carbonization, however, offers at least a new home market.

In spite of difficulties, engineering continues to improve. Shipbuilding is slowly on the mend.

Textile Trades at Sixes-and-Sevens

To-day the most perplexing field is textiles. Mr. Runciman hopes to get better terms from India for cotton. Cotton output is already slightly up. But there are again threats of strikes; and there is no confidence that the industry has been reorganized to meet modern competition, even within the Empire.

Wool is suffering from two blows—the ban on imports by Germany which knocked the bottom out of wool prices, and the crisis in the French textile districts which still further weakened the market. We cannot expect the lowering of duties in Latvia to make up for the loss of the German market.

On the other hand, rayon is proving to be one of cotton's deadliest competitors. It is replacing the coarser material throughout the whole range of underwear and shirting. Unhappily, the long campaign of price-cutting, both here and in America, has cut the profit margin to ribbons. The effect of the reduction of import and excise duties remains uncertain. What is certain is that, failing some form of Government compensation (which is highly unlikely), the industry will face heavy losses on present stocks.

The Crown Colonies, though, have established quota restrictions in favour of British rayon. The fine summer, too, has produced a record demand for rayon fabrics. The two largest concerns are preparing to enter the underwear trade

on a much wider scale during the coming year.

The jute trade gets the best news it has had for years. The experts forecast at least a partial improvement.

Motors Again Making records

In spite of alleged resistance to car purchases aroused by the recent spate of accidents, the motor trade is working to capacity. A well-known expert says the home market expanded 20% during the last twelve months. In that time the Vauxhall Co. sold some 25,000 of their new 12's. The Ford concern is believed to have sold nearly 40,000 of the little Eight. Both these are relative

(Continued on page 32)

Where the 40-Hour Week IS a Success

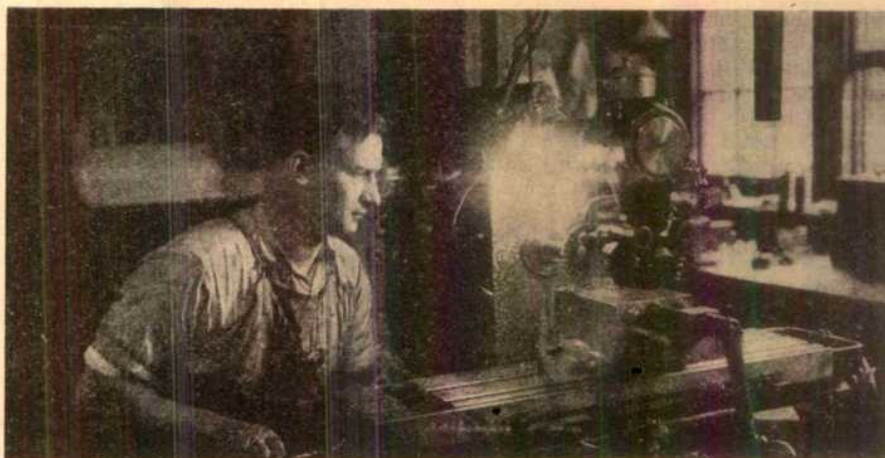
Is the 40-hour week a practical possibility? The Engineering Unions say yes; the Engineering employers say no. The League of Industries Committee expresses opposition based on danger to our export trade; discussions at the International Labour Office in Geneva indicate the same dissension.

Yet the matter demands the urgent attention of every employer, for recently whole industries have been forced to work 40-hour weeks, or less, in this country, in Germany and in the United States.

Even with a revival in the British-Empire-sterling group well under way, we have still two millions unemployed. If the revival absorbs half a million of these, and a further half a million are unemployable through age, health or other causes, there still remains a million people to be taken care of. If the enterprising Ministry of Agriculture can expand employment by 250,000 in the next five years, it will have done an exceedingly good job. This leaves 750,000 people on industry's back. It may well be that the only way to absorb such a number will be the shortening of hours.

There are many special difficulties in the way of such a move in this country:

- The Unions are not prepared to take a proportionate cut in the total wage, and thus to mitigate the danger of a rise in production costs.
- Many employers are reluctant to work a two-shift system such as will enable the American cotton industry to adopt the 36-hour week.
- So much of our export trade is done in competition with foreign



Here are some results of the latest experiments with the shorter working week. This subject is one of to-day's important factors for management to consider

By CECIL CHISHOLM

concerns working longer hours at lower wages than any rise in costs would be disastrous.

So far most of the British concerns working a five-day week have either not reduced their hours of work or they have reduced wages proportionately to

the cut in hours. Under the first scheme the worker is simply given the benefit of the long week-end as the result of a longer working day during the week. In the second case, while the reduction in wages has lessened the danger of increasing costs, it has also tended to damp efforts at higher efficiency.

In some concerns this has not been the result. One employer says that he believes his people would rather take a reduction in wages than return to a longer working week. In this case the change to a five-day week was made simultaneously with a reduction of hours throughout the trade.

The urgent question is whether the loss of hours can be compensated by

Why the 40-Hour Week is succeeding at Mander Brothers

Mr. Geoffrey le M. Mander, M.P., Chairman of the Company believes that the shorter working week is possible when accompanied by improved organization.

"The real secret of the commercial success of the system," he says, "is clear. Owing to thorough works control and the detailed planning of each job, the employee is now able to work effectively for perhaps 55 minutes in every hour instead of 45. The fact that he could not do so in the past has been no fault of his."

an increase in productive efficiency. If so, the workers can be paid the same wage for a 40-hour week as for a week of 45 hours or 47 hours.

So far no data has been available on the subject, for no one has attempted to put so bold a theory into practice. It is true that Messrs. Rowntree cut hours from 46½ to 44 at York without reducing wages. But as they introduced the 44-hour week in 1919, and production methods are continually improving, it is impossible for us to say how production costs have been affected by the shorter working week.

As the result of an experiment commenced in September, 1932, by Mander Brothers, varnish and paint manufacturers of Wolverhampton, there are now certain facts on which to base an opinion.

Two or three years ago Mander Brothers decided that the time had come to reorganize their business. A scheme for the entire rationalization of their factories was therefore worked out with expert advice. The scheme included the introduction of a scientific planning system. When this had been worked out in detail the firm asked their employees if they were willing to try the experiment of a shorter working week. After prolonged negotiation an agreement was signed by Mander Brothers with the Transport and General Workers' Union, by which the firm agreed to put into force, along with the new scientific planning, a 40-hour working week.

This Agreement Keys the Plan

The only alternative would have been to remain on the 47-hour week and to discharge workers as they became redundant. The main points in the agreement with the union were as follows:

1. A new system of piece-work was first to be introduced into a single department.
2. Work to be timed and controlled by a system known as "work units".
3. The timing and price for each job, set out in cash terms, to be handed to the workpeople concerned.
4. The basic rate of wages for men to

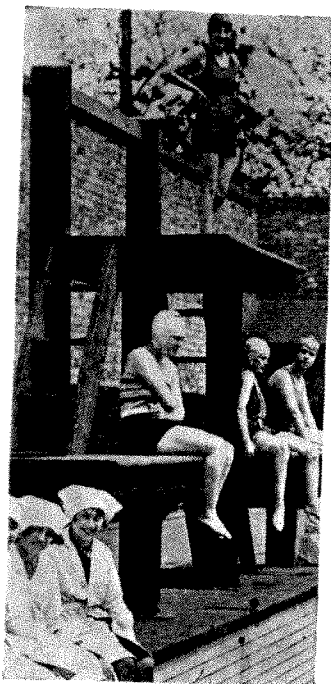
be 55s. 5d. for a week of 40 hours; for women 28s. for a week of 40 hours. Labourers and other workers to receive the same rate for 40 hours as they received for 47 hours.

5. The above rates guaranteed for a 40-hour week.

6. In fixing the price, it was calculated on a base rate of 55s. 5d. for 40 hours. Any piece-worker's output above that should be paid for at four-fifths of the basic rate.

7. The price of a job, if not regarded as equitable, might be challenged by the worker through his shop steward, when the job would be retimed and the appropriate rate discussed with the union representative.

8. The firm undertook not to dis-



**More time for play
makes better workers.
Better workers make
better business**

charge any worker for six months. After that date, if people were displaced, compensatory arrangements came into force according to the terms of a letter to the union.

9. The 40-hour week was to be one of 5 days at 8 hours each. Overtime was to be paid for in accordance with the existing overtime agreement.

The undertaking of the firm to avoid dismissals was stringent. They undertook that no dismissal should occur for the first three months. They further undertook to retain permanently those over 30 years of age who had been with the concern for ten years.

Here Pensions Follow Long Service

Dismissals were chiefly avoided by pensioning off elderly workers between 60 and 65 instead of at 65. These workers were pensioned at the rate of 1% of wages for each year of service, until they attained 35s. a week pension. In the case of workers under 30 who had been with the firm less than ten years, no undertaking was given. But it was agreed that those under five years' service should have one month's wages if dismissed as redundant. Those under ten years' service two months' wages, and those under fifteen years' service three months' wages.

Naturally these conditions were made contingent on no further falling off in trade and on the maintenance of good workmanship in each individual case.

Although the plan has not yet been introduced throughout the entire business, it already covers a considerable proportion of the employees. In some shops it has been in operation for nearly two years.

Results: Production Up Prices Down

The results to date are astonishing. Wages have increased on the average by about 25%. Production is up and labour costs down. The directors consider that they have actually secured more business through their ability to lower prices. More remarkable still, not a single man or woman has been dismissed as a result of the new system. In fact, the whole scheme has worked out much better than the Board had ever hoped; but to this better trading conditions have no doubt contributed.

Some of the reactions to the scheme have been surprising:

Among those working the 40-hour week sickness and absence rates have been reduced, and there has been no increase in accidents.

While there was a certain reluctance among the workers at the beginning to go on the new system, owing to uncertainty as to what it involved, now there is great keenness to be put on it, and any return to the old 47-hour system would be strongly resisted.

Mr. Geoffrey le M. Mander, chairman of the company, believes that the shorter working week is possible when accompanied by improved organization.

• (Continued on page 37)

How Other Executives Plan

Good Pay, Good Profits

"Sir Percival Perry, in last month's BUSINESS, said that the most important thing a firm had to do was to build and maintain a first-class personnel. I agree, absolutely. Our concern is noted for the good wages paid in every grade and good conditions of work. We have spent much money in making the conditions good. Our waiting list of employees who want to join us is always a long one. Yet each year for the past five we have successively beaten our previous best profits."

*Managing Director,
Model and Toy Manufactory.*

Experts Who Sell Prestige

As manufacturers of a raw material for a highly technical industry we naturally have on our staff experts who can advise users on their technical problems. We have found it the best policy to employ for this job men of the highest qualifications rather than mediocre men merely trained up to a few specific 'high spots'. We contend that men of the highest standing are most capable not only of helping the user in his difficulty but also of propagating those invaluable factors of the company—prestige and goodwill.

*Managing Director of a
Steel Manufactory.*

Phone for Visitors

It may happen that a caller at our offices, while he is waiting to see some particular individual, may need to phone back to his own office or to transact some other business by phone. Some people do not like to ask the reception clerk for permission to use the office phone; moreover they may not care for the conversation to be heard by other people who are about. In our reception room, therefore, we have erected a special phone cabinet for visitors. On the door is this notice: 'This telephone is for the convenience of visitors; please feel free to use it.' Inside is a stool of convenient height, also a broad shelf on which to rest anything the visitor may be carrying. Pencil and message pad are also provided.

Secretary of an Advertising Agency.

Avoids Wage Disputes

We recently tried an experiment which has eliminated all wage disputes over the matter of wage packets going to the wrong man. This error is very easy in big organizations where thousands of hands are paid from a central pay office.

Our plan is that the office, after making up all pay envelopes, sorted them into departmental trays and sent them direct to the respective shop foremen and department heads for distribution. At the proper hour on Fridays all departments were paid simultaneously, and, as each department chief knew personally each employee to whom he handed a pay envelope, errors through mistaken identity were impossible. This plan, too, much reduced the actual time necessary to pay 7,000 workers.

*Director of a
Motor Car Manufactory.*



Duty Chart Checks Overlapping

A few weeks ago we reorganized the publicity department of our firm, increasing the staff and making special sections to deal with increased advertising and with market research. Until the newness of the arrangement wore off, it worked well, but soon we found that there was overlapping, 'buck-passing', and general slackness as to details of routine.

This was costing us money daily in lost time and misdirected energy, so we simply made public the plan on which the new department was built up. The exact duties of every member of the department

were noted on it, and a copy was given by myself to every single member of the staff, from my personal assistant to the office-boy. Further, a large copy of the organization chart was framed and hung up in a prominent position on the wall.

Nothing further was necessary; the expanded department now works perfectly smoothly.

The plan has an additional advantage, for, as I stay later than most members of the staff, I can soon see where there is any unfair distribution of duties, or where congestion is taking place, by noting what employees are staying late, after the usual closing time of the office.

*Sales Director of a
Catering Concern.*

Reward for Good Timekeepers

"Some clerical employees do not take kindly to the rule about 'clocking in'. We conceived the idea of allowing those employees not to 'clock' who could show a clean time record over a full month, with the penalty that they would be put back under the clocking rule at the first 'lateness'. The plan is working well and is much liked by the employees."

Director, Paint Manufactory.

Here is a MANAGEMENT QUESTION:

Can You Answer It Satisfactorily?

In a recent address to the Incorporated Sales Managers' Association, Mr. Harold Whitehead, of Harold Whitehead and Staff, put forward the following poser:—

Heads of businesses seldom know the truth about the operations of the businesses they direct. Indeed, it is safe to go even further and say that the more outstanding the personality of the head of a business is, the less likelihood there is of his being in possession of the full facts regarding its condition and operation.

"This is accounted for by a very simple reason. In the nature of things a chief executive must rely very largely upon information supplied to him by his staff. If he be of a dominant personality there is a tendency to conceal, or at all events to gloss over, unpalatable facts for fear of the consequences. If he be of the type susceptible to a certain amount of flattery there is an equal tendency to present facts in such a form as will gratify his own conception of his prescience and genius; and in all cases there is, on the part of the staff, a perhaps laudable tendency to 'keep the Chief happy' by telling him what it is thought he would like to hear rather than giving him the real facts which may well be less palatable though

no less important to the welfare of the business.

"Moreover, there is a definite personal factor involved. The executive head of a business usually holds his position by reason of some strong predilection (amounting often to a settled conviction) in favour of certain business policies and methods. With such a man, however fairly he may endeavour to hold the scales, it is impossible for him to consider in an unbiased way policies or methods which he may have schooled himself in the course of years to disapprove. Consequently, even when his staff furnish him with the full facts of the situation, which is rare, it is probable that he will be unable to give them a correct and unprejudiced interpretation.

"Yet the continued success of a business depends on the management facing facts as they are to-day—not as they were a decade or so ago when the business may have solidly established itself. "With these thoughts in mind, it is pertinent to ask: 'How can the management get these unbiased facts which are so essential to-day?'"

Are you satisfied with the fidelity and accuracy of the basic facts which your staff puts up to you who must formulate the driving force and the control of the business?

How We Are Equipping

For most businesses September begins the busiest season of the year. It is the "buying" season, the period when firms make capital and other expenditures in order to get themselves in trim to create a bumper autumn and winter turnover.

These expenditures cover a wide field; they provide for everything from a simple job of repainting the office, or overhauling the electric wiring to the extending of factories and the laying down of new plant.

Practically every firm does something, at this time of the year. The *laissez faire* attitude of summer has gone, increased business lies ahead, and to get his share of it the business man must have equipment which will enable him to handle it more quickly, more accurately and more cheaply. Here are a few typical examples—firms taken at random—of September buying activity:

W. T. NORMAN, Partner in a City Financial House, says:

One of the means by which we shall speed up our work as from this month is by the installation of a loud-speaker telephone. Our particular type of business involves a considerable amount of interviewing as between ourselves and clients.

Our principal executives in their private offices receive the clients, but these executives constantly have to refer, during the interviews, to records, facts and figures which are kept separately in our statistical department. These facts and figures generally refer to actual business which we have in hand for clients, but even though they are needed frequently it is not practicable to have these records filed in the executive offices.

Hitherto, our procedure when material has been needed from the statistical department, has been for the executive to phone through by means of the ordinary telephone and ask for a clerk to bring in whatever is required. To get through by telephone to the girl on a busy switchboard, however, and to wait while she makes the transfer to the required department (which, quite likely, is "engaged") wastes a lot of time. Moreover, such delay does not look well in front of a client, especially as many of them are themselves executives in important businesses.

*By means of the loud-speaker telephone we shall get much quicker connection to the department, and information and instructions can be exchanged without the clerks and record keepers having to leave their places, except, of course, where material has actually to be brought in for examination. Executives calling the department will not have to wait while the individual called walks to a receiver, picks it up and answers, the individual will be able to answer from wherever he happens to be in the room.

We are also reorganizing our filing system for correspondence and larger documents such as photographs, plans, blue-prints, etc., relating to clients' business.

For this we are installing all-steel

cabinets, three special types to suit three classes of documents. Each will carry a self-contained cross-index so that all or any portion of the material can be instantly found.

We consider that in addition to enabling us to keep all our filed material in much better condition, this system will make for more accurate filing and much quicker reference, another speeding up of business.

C. S. GARDNER, Managing Director, Burtol Cleaners Limited, says:

We have at the moment 285 installations of our apparatus at work in various parts of the country. Although this represents a turnover of more than £600,000 a year, it does not represent the total development of which the Burtol cleaning system is capable.

Most of the apparatus already working is not in our own shops; it has been purchased from us by other firms, and it seemed to us that the use of apparatus in shops under our own direct control could be greatly extended. We intend doing this in such a way that it does not interfere with the areas served by firms which have purchased our apparatus from us.

As our business is based on personal contact, there is no need for us to do a great deal of national advertising; we need conduct only local campaigns.

The money which we save on national advertising is available for equipment, and every one of our shops has the very best possible equipment. Some of it is spent also in training the staff. Owing to the fact that the actual cleaning of the garments is done on the premises at each branch we have to keep an expert staff at each branch. The training involves a good deal of time and expense, and consequently, we have to select candidates very carefully. In addition to being good cleaners, they must be good shop assistants, for in a service business a bad shop assistant can do an incredible amount of harm in a very short time. This training is very necessary, and the

new staff will involve extensions in our facilities for training. Further, we can never be sure of getting the best site for a shop when we want it. Just as soon as we have found a good site in a district and five trained assistants are available, a new branch is opened.

This involves us in a great deal of expenditure, but the return is immediate. Our aim is to open eighty shops in the coming season, but that is only the beginning of the developments which we are planning. The completion of the scheme will take some years, and we venture to think that it will revolutionize the cleaning industry.

GERALD C. BENTALL of Bentalls of Kingston, says:

A large retail concern such as this has the opportunity, by every reason of its immense building invitingly open to all and sundry to enter and inspect, of making more spectacular business-getting stunts than any manufacturer or wholesaler.

It has always been our aim to get people, all of whom are potential customers, into our store; and to that end we consider large inviting doorways an essential feature. The store is thronging with people every day, and in order to make shopping more congenial and advantageous for the crowds, doors are being thrown open on all sides.

On one frontage, which has been developed during the last few years, there is an imposing vestibule entrance with ample space for special displays. On the original frontage, on the main thoroughfare of Kingston, the entrances are as yet not so large, but recently we have opened a special escalator entrance, which relieves congestion on the ground floor and brings increased traffic through the upstairs departments.

Now in a third street where, up to the present, the firm has no window frontage, an entirely original doorway has been erected. Strikingly modern in architectural design, this is absolutely original in operation. Automatically, as customers cross the threshold, the doors swing open on the breaking of an invisible photo-cell ray. Mothers with prams generally prefer the small



for

BIGGER Autumn Business

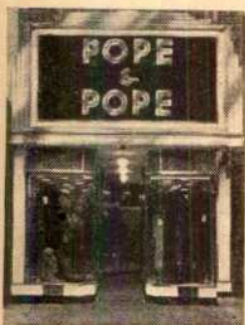
shop, where baby is easily within reach; so within, we have a wide parking place for about two hundred perambulators.

From this new entrance one will proceed direct to the newly-developed fabric sections. These sections, with their spacious display aisles, with every luxury in modern fittings and splendid overhead natural lighting, are proving the chief attraction to old as well as to new customers, and will bring, as a result, doubled or even trebled turn-overs within a very short time until further extensions and developments, already planned for the future, draw special attention elsewhere.



W. D. LAMBERT,
Works Director of Stanley
Jones & Co. Ltd., says:

Our business is the manufacture of shop fronts and fittings, and consequently we have to be always on the *qui vive* for new and attractive possibilities. These frequently come to our notice, but before making capital outlays we have to go very carefully into the question of whether or not the demand will last, whether or not, in fact, the innovation will be more than a temporary novelty.



Earlier this year, the whole of the retail trade became interested in the sudden growth of the popularity of a brand of stainless steel. Prior to this, we had looked into its possibilities, as a material for the manufacture of shop fronts, and decided that it had the twin virtues of durability and attractiveness.

A close survey of the opinions of architects and business men throughout the country suggested that it would be extensively used, while early inquiries from abroad suggested that there might be a good export trade in this commodity. Accordingly, we decided that we would make it our chief line in the new season.

Plant was purchased, and the necessary extensions to our factory premises were made; extra staff was engaged, and a new designing department was

set up to deal exclusively with the product. This represented a very heavy capital outlay. A comparison with the figures for the same season in previous years, and the knowledge of the trend of the future demand gave us fair ground for preplanning our output to meet the probable demand. We could not mass produce anything, for every shop front has to receive individual consideration.

The new designing department played no small part in these preparations. Designs suitable for shops in different climates were prepared, so that we could offer prospective customers an advisory service as well as undertaking the actual manufacture of their requirements. This has already proved its worth.

All these preparations were made recently, so that immediately the first order came through we were ready to go into production at once. The results have up to date justified our capital outlay, for the sales graph had steadied itself at a very satisfactory figure. In the near future it may be necessary to increase our plant still further, but before we do this, we shall undertake another very close market survey, for heavy capital outlays must justify themselves in the long run, and not only in an immediate boom demand. Our recent extensions have, however, been made as a result of the closest possible scrutiny of future trends, and we have no reason to think that they will not justify themselves.



D. M. BOYD,
Director, Collars (London),
Limited, says:

When this business was started some years ago a good deal of comment was caused by the service we offered. This was the replacement of collars dressed by us free of cost. Such a highly efficient and comprehensive service was quite new, and at first people were a little sceptical, so that a good deal of courage and tenacity of purpose were necessary to launch it successfully.

The success of that service naturally led us to think of extending our activities. We considered long and carefully the question of replacing shirts in the same way as we do our collars. We

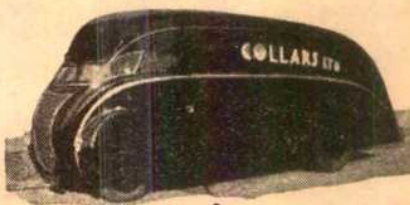
knew that shirts could be dressed and replaced without adding anything to the charge of 6d. which is the ordinary laundry price for dressing only. In such a service, however, there were inherent many snags—the infinite variety of patterns, the problem of special fittings, personal and individual requirements, etc., would leave many loopholes for disturbing the friendly relations which has always existed between ourselves and our customers. How then could we best serve them?

Careful costing showed that if we dressed 1,000 shirts per week we must charge the usual laundry price of 6d. If we got 5,000 per week we could reduce to 5d., while if we got 10,000 per week we could dress them at 4d. We set ourselves then to find out if numbers alone could so reduce our costs to enable us to make a lower price without stopping at the half-way house of 3½d. each, but the number required to make this price economically sound was so high that it made us pause—but it was only a pause. The decision to proceed was eventually taken, and we set out on the great (to us) adventure.

Our first concern then was premises and plant, and we spent no less than £20,000 last year in building and providing the latest machines, although we knew that if the numbers of shirts we received did not come up to the figure required we must face a heavy loss.

The result has been encouraging, although we are not yet near the desired figure. The principal cause of this was the fact that our service being fortnightly, our customers had not sufficient shirts at home to enable them to wait for a fortnight between dressings. We set ourselves therefore to sell them shirts at a price which they could not possibly get elsewhere because we looked for no profit while we gave them all the benefits of collective buying.

Up to date we have purchased not less than 320,000 yards of shirting. We have sold the shirts at 6s. 6d. although the same quality would be priced elsewhere at 10s. 6d. and 12s. 6d. This



is service, but after all, we are laundrymen, and our business is to get the shirts into our works for dressing. That they will come we do not for a moment doubt, and we are already considering extra expenditure on new buildings to house them.

This New Product *was* Launched by . . . GOODWILL

From time immemorial "brown" or wholemeal flour, that is flour not deprived of its natural food properties by processing, has been used by large-scale bakers of bread, cakes and other foodstuffs.

At the beginning of this year we reviewed the market. We saw the enormous and still rapidly growing demand for wholemeal bread, wholemeal bread substitutes, patented and/or branded foodstuffs of a wholemeal character and we conceived the idea: Why not a wholemeal (brown) self-raising flour for the housewife so that she can make her domestic pastries of a more health-promoting character?

It seemed a good idea and on consideration we really wondered why something of the sort had not been marketed long ago. It appeared to be an obvious development of the long standard household white flour.

At the beginning of this year we were sufficiently convinced of the prospects of a brown household self-raising flour to try it out.

Reports Were Obtained from Actual Users

After some weeks of careful experiment in our works we produced a sample which our experts considered to be of the highest possible quality and suitability for domestic cooking. It was not a cheap flour but essentially a "quality" product. It would sell at a higher price than the ordinary white flour, so we aimed at the better class market.

Our plan was to get actual housewives and domestic cooks to try out this new flour for us and we therefore selected a representative list of potential customers and supplied them with a sample of the new flour with a request that it be tried and that frank reports of the results be sent in direct to us.

Many of the London clubs and catering departments of large business firms were supplied with samples, and in not one single case was there an adverse report. Everyone seemed delighted with the results which the wholemeal flour gave, and this we certainly agreed was a sufficient indication that a big market awaited our new product.

A Brand Name Was Not Used

Up to this point our brown flour had no name. Should we brand it?

A list of suggested coined names was drawn up and carefully considered. Finally, however, we voted against a purely brand name; it was decided, instead, to use our own name, which had behind it over 50 years of goodwill



Shelf appeal was the main consideration when this package of brown and golden yellow was designed. The idea of a well made carton was considered an advance on existing methods of packaging household flour



One particular section only of the national market was selected and this new product launched into it without the aid of either trade or consumer advertising. Sales of 10,000 packages were secured in the first week

and experience. We would call it Mitchell's Brown Flour with the addition of the important descriptive term "Digestive"; Mitchell's Digestive Brown Flour. That, we considered would put over the main feature of the new flour—its health-promoting qualities.

Our new flour was essentially a good quality product selling at a higher price. We were appealing to a good-class market. An appropriately attractive package was therefore essential. Out of several designs we chose the one illustrated here. The colour scheme is brown and golden yellow on a white ground.

From

S. A. MITCHELL

Managing Director

Mitchell's Diadem Flour Co. Ltd.

As I mentioned just now, we have manufactured and sold flour for over 50 years. In this western area of Britain, therefore, we are soundly established and have a name that is intimately known to practically every appropriate retailer and many thousands of housewives within our boundaries.

Our Goodwill Was Our Best Advertisement

We took advantage of this connection to launch our product without undertaking any expense for press advertising.

We did not need either consumer or trade press advertising. The whole of the campaigning was done direct to wholesalers and retailers by our own travellers.

It was here that we reaped the benefit of our long standing association with the trade. When announcing our new product and soliciting orders our travellers were not met with the usual sales-resistance excuses about waiting for the new product to be nationally advertised, or waiting to see how the public would take it. Our products were already long established in the trade and in the public's mind. The brown digestive flour was accepted as a proved proposition from the start.

The only assistance we found necessary to give the retailers consisted of supplies of single sheet leaflets for counter distribution to customers. These leaflets bore a straight announcement of the flour and a report of its efficiency by a well-known household cooking expert.

The first supplies of Mitchell's Digestive Brown Flour were placed on the market a little more than six weeks ago and it is a significant fact that in a little over the first week nearly 10,000 packets were sold and this in spite of the fact that the summer months are considered by retailers to be an "off season" for flour.

One hundred ways in which modern equipment can improve your office work and reduce its cost are outlined on page 26

Our System of PLANNED DISPLAY

An Interview with
HUBERT ROSE
of Austin Reed, Ltd.

Modern display has for its object the selling of goods by suggestion rather than by direct attack on the prospective customer. Hence, it is necessary to show to the best advantage all the good selling points of the goods, and not merely to make a "pretty show".

In a multiple firm with branches throughout the country, it is essential that all the branches shall have the same sort of display at the same time. This can only be achieved by centralizing display control. Yet there is a disadvantage attached to this. If complete centralization is the practice of a firm, that firm is liable to get into an uninspired rut, and all its displays tend to have a dreary sameness about them.

A serious attempt to avoid this has been made by this firm.

How We Avoid Monotony in Arrangements

We have divided our displays into two large classes—general displays and special ones. All are controlled from the central display department, but the actual carrying out of the general displays is left to the display men at the branches.

Head office decides well in advance exactly what lines shall be displayed at a given period, and the materials for the display are sent to the branches at the same time as the list of items to be displayed. After that, it is left to the branch display man to display them as he thinks best. All our publicity is linked up in some way with the actual

display; for instance, the wording on showcards frequently is the same as the wording of press advertisements, and the objects displayed are usually those which have been advertised in the press in the immediate past.

With the particular, or special displays, a different procedure is followed. Special displays are planned to the last detail in the central display department. They are set up there in a dummy window, and all the necessary fittings are made in the workshop attached to the department. These displays are not suited to every shop, nor to every town, and the branches which are to be graced by them are carefully chosen. Further, the exact window in which the display is to be set up is specified.

Although our branches have not the same sized windows, they are all of the same type and of similar proportions, so that it is possible to carry out a given display in any window, simply by making proportionate fittings to meet with local requirements. These fittings, together with a photograph of the actual display, are sent to the branches, where they are assembled in the usual manner.

Another type of display which we use, a combination of the two, is that in which one particular line is featured in a special way in a window which also contains other articles of a similar nature. The branches place the goods in position as instructed by the head office, and arrange their own general displays in connection with them. This gives them an opportunity for individual action, while it does not destroy the character of the whole display.

Each Display Bears the 'Stamp' of the House

Indeed, this might be called the whole object of our display policy. We try to arrange that the various displays of the same goods can be recognized as bearing the characteristic stamp of an Austin Reed display, while each has its individual method of presentation.

Up-to-date, this policy has been entirely satisfactory. The careful linking up of press advertising with displays throughout the country has in several instances had a marked effect on the turnover of the goods in question. An example of the value of a special display at one of our large shops is seen in the reproduction of a window in the accompanying illustration. Here we made a special display of an expensive type of goods, and the turnover of these goods at this particular branch went up to a really surprising extent.



Though featuring expensive travel goods, this display vastly increased the turnover of the department



Do You Use WINDOW BILLS?

For hundreds of purposes, in retail stores, in buses and tramways and in business houses it is necessary to affix bills or notices on glass surfaces. There are, of course, plenty of effective means of securing the bills on to the glass, but it is invariably a difficult matter to get them off again after use. Soaking with water and much scraping with a knife, followed

by a vigorous cleaning of the glass is called for.

An entirely new adhesive has now been introduced which, while sticking the paper firmly to the glass so that it withstands all conditions, enables it to be stripped off again instantly and cleanly when its purpose has been served.

As shown in the illustration on the left, it is only necessary to take one corner of the bill and to pull gently. Whatever its size the bill at once comes away cleanly, undamaged, and so can be used again any number of times.

Some notices are not wanted again, but many thousands are, and in such cases, not only is the quick and easy removal of the notice a consideration, but the enormous saving in the costs of printing and ticket-writing is an important matter.

Can You Use British Industries House?

Two interesting and important innovations, one of them completely unexpected, have recently been made in British Industries House. The first is the reservation of a large area of floor space for the exhibition of products of Sheffield, and the second is the institution of a medical section.

The Sheffield reservation is particularly interesting because it cuts right across the normal functions of B.I.H., and, in a way, doubles them. Normally, the exhibitions are arranged according to classes of merchandise, so that the buyers from overseas and from the home country have a centre where they can get a comprehensive display of the goods offered to them without travelling about the country. The manufacturers are the salesmen. Now, the Sheffield reservation is not arranged so; it is grouped according to locality. A large number of the business men of Sheffield, banded together, and reserved space in order to tell the world exactly what Sheffield can show. When the exhibition is completely arranged, it will present a remarkably full view of the manufacturing capabilities of this part of Yorkshire. While it has a very definite appeal to the buyer, it also has a subtle but unmistakable appeal to the manufacturer who is seeking a new factory site. He can get from the attendant all the data concerning the locality, and in addition he can see exactly what the locality has already produced, and thence he can deduce the type of labour available, factory costs, and so on.

Opportunities for Town-by-Town Publicity

Leeds, Derby, Newcastle, Edinburgh, and Aberdeen, have arranged or are in process of negotiation, for the appropriation of space for similar exhibitions in the course of the coming year. The arrangement with Derby is made with the official approval of the Derby Chamber of Commerce. In all probability other Chambers of Commerce will link up with B.I.H., so that its use for business men will be increased considerably, inasmuch as it will become not only a centre for information concerning industry, but also a centre for information concerning manufacturing localities as well.

Although the new medical section is intended primarily for hospitals, it is also of great use as a buying centre for welfare equipment. Naturally, few business men want to buy the latest thing in operating tables, but many of them want to keep an adequate first aid room; they want suitable tables and chairs for their welfare department; they want to know where to get hygienic flooring, and a host of other

things. All this is adequately dealt with in this new exhibition. The layman is not usually competent to assess the worth of goods of this sort, so B.I.H. has set up a medical council of its own, on which are such eminent men as Dr. Alfred Cox, Sir Crisp English, Mr.

A. R. Mellhuish, Dr. E. P. Poulton and Mr. Hugh Macrae. No goods are allowed to be exhibited until they have been examined and approved by the members of this council. In these days, when questions of welfare are coming more and more to the fore as necessary for the retention of the efficiency of workers, this section is of inestimable value to business men. In addition, a fully qualified doctor is in charge of the display, so that expert advice as well as guaranteed goods are at the service of the visitors to British Industries House.

IDEAS THAT HAVE SOLD

will find them plainly marked by large red cards 'Rainy day Special'. They are goods genuinely reduced to turn our dull days into busy ones."

The letter, frank, and to the point, had good effect. Almost any retail shop could follow the idea.

MAKES REGULAR CUSTOMERS

A hatter has converted many of his casual customers into regular ones by this simple and inexpensive service:—

With every hat sold he issued a well-printed slip which read: "If the purchaser will return this hat within six months of (date of purchase filled in at time of making sale) and purchase a new one, his old hat will be cleaned and reblocked free of charge."

As the salesman filled in the date blank he specifically pointed out the advantages of the service to the customer.

THE TOUCH OF INITIATIVE

The proprietor of a petrol service station increased his average sale of petrol from 3 to 5 gallons by the simple plan of impressing on all his assistants to approach calling motorists with the inquiry: "Fill her up, sir?"

This question is put before the motorist himself has time to order—perhaps only 2 or 3 gallons.

It is just that little touch of psychology in the selling which, by relieving the customer of the initiative, persuades him to purchase a larger unit of the product.

PROFIT IN HOLIDAY CLEANING SERVICE

Retail furniture and upholstery businesses have an excellent chance during the holiday season of securing extra business. Canvass customers and prospective customers advising them to use the period in which they will be away on holiday as an opportunity to have curtains, rugs and carpets cleaned, furniture re-upholstered or re-covered, bedding overhauled, cushions re-covered, blinds repaired, and so on.

Offer special reduced holiday charges for this service. Offer, also, to call and inspect the goods, without obligation, and to advise on their treatment.

Offer to collect the goods that need attention and to deliver them again when the family returns from holiday. Many people would be glad of such a service.

THAT LITTLE EXTRA SOMETHING

Shoes sold with a spare pair of heels is the latest sales-raising method adopted by a shoe-firm. The shoes have a heel top which plugs into a triangular metal tube let into the heel.

THE MORNING AFTER

By changing its method of sales approach a well-known sauce has found new markets. Hitherto conservatively advertised, it is now competing with the pick-me-ups with the slogan: "Try it with a raw egg and you'll feel better directly".

BUSINESS FOR RAINY DAYS

A dry spell is with us, but it will not always be so. Here is a circular letter which a large department store finds profitable in wet weather:—

"On wet days our usual crowds do not come to the store. Casting about for a means to improve our sales on these 'off' days we have hit on the plan of offering to our customers 'Rainy day Specials'. Therefore you may come to us on any wet day and find unusual bargains.

There will be something on every floor and in every department. You

COMPLAINTS

If a busy firm should say: "Our customers never make complaints," you may be sure that it is mistaken and is probably living in a sense of false security.

But if a firm says: "Every complaint is handed to an independent executive. We know that a complaint may reveal a weakness in our organization, and that it may be indicative of a flaw which is losing us sales. We examine all complaints promptly and thoroughly. We have such-and-such a number of letters, so many orders and invoices, so many payments and only X complaints—which strikes us as being pretty good," you may be sure that it is right.

A complaint from a customer is an important document, and it *pays* to allow a responsible person to investigate it. Here is an outline of the way in which complaints are handled in our organization:—

1. All letters are opened in a centralized postal section.
2. They are sorted into distributing trays by senior clerks who put on one side any letter that contains a complaint either from a customer or from one of our own travellers.
3. Complaint letters are then stamped in red with a rubber stamp, as illustrated below.
4. Such letters are delivered direct to the Office Manager, no matter whom they concern or whose reference they quote.

*it PAYS us to put
every one through
this routine.*

By

G. D. GARDNER

Organization Manager
Horlick's Malted Milk Co. Ltd.

5. The Office Manager has a supply of stencil-duplicated forms of which a specimen is reproduced here.

6. The date is filled in, and then the complainant's name, address and a brief summary of the complaint.

7. Then the Office Manager, or his assistant, investigates the complaint and finds the *true* explanation.

Explanations are categorized into two headings: 'Justified' or 'Unjustified'.

If the former, the company has been at fault. If the second, it has not—and I must say that a considerable percentage of complaints fall into this latter category.

'Justified Complaints' are divided into two headings:—'Human Element' or 'System'.

For example, an error in pricing an invoice would fall under the first heading. An account collection letter sent by one department whilst another department was dealing with a traveller's report on the subject might be a fault in 'System'.

8. The Office Manager ticks-up the front of the form to indicate whether the complaint was justified or not, and, if justified, whether it was 'Human Element' or 'System'. If 'Human Element', the name of the individual and his or her department are recorded.

(A small detail worth mentioning is the complaint of 'Goods not received'. If the goods were despatched without delay and the Railway Co. were at fault, it is accepted as a Justified Complaint and the Railway Co. are recorded as being at fault. This is a useful record with which to confront the Railway Co.'s representative!)

9. The individual at fault always sees the written explanation of his error, and the head of his department initials the back of the form in the bottom right hand corner.

10. If it is a System error, the writer, as Organization Manager, initials the form.

11. The Office Manager then releases the letter of complaint by initialling the red triangle.

At regular intervals a summary is prepared analysing ~~any~~ complaints which may have been received:

- (a) By complaints received,
- (b) By 'Justified' and 'Unjustified',
- (c) By 'Human Element' and 'System',
- (d) By Departments and Individuals.
- (e) By types (such as 'Pricing error', 'Understamped', 'Delivery delay', etc. etc.).

This examination of complaints would be of no value in itself unless it was actively used as a method for preventing the recurrence of similar errors.

Before instituting such a scheme, its import should be frankly explained to the staff. They should be told how errors lose sales and cost money.

COMPLAINT		W.E. _____
Investigated by _____	Justified _____	Unjustified _____
Type of mistake: Human Element _____		System _____
COMPLAINANT _____	At fault:—	
COMPLAINT		
P.T.O		



On this rubber stamp a red triangle was chosen as symbolising "Danger"

REPORT
If an error has been made at Slough, the Head of the Section should initial here

This simple complaint form makes it easy to track down weak links in the system, and acts as a permanent "vet" for our business

£3,500 MECHANISATION:



This flexible typewriter accounting machine is adaptable to a variety of work. It has the maximum of automatic features and so calls for the minimum of operating effort. It is a type of machine which is rapidly being taken up by small and medium sized firms

Eighteen months ago we installed our first accounting machine; to-day we have fourteen. As the result we have effected weekly savings such that the cost of them has already been covered in only 60 weeks.

Our trading period runs to the 19th of each month and we have about 33,000 accounts, for which 7,000 monthly statements go out. Whereas, by hand methods we were unable to get out the monthly statements before the 10th of the month following with resulting delay in collections, we can now dispose of the bulk of them within a few days of the close of the month.

The machine analysis of our stocks, which cover 4,000 diverse lines, has enabled us to embark upon a really comprehensive system of control. Purchases can be regulated exactly to the demand, and sales movement can be initiated in slow moving or seasonably active lines in time to produce effective results. It is impossible to do this by hand methods. Decidedly, mechanization has revolutionized our business.

Our System is Simple and Complete

The machine installation which has produced these results is outstanding in two ways. Firstly, seven varieties of the same machine are used, yet the volume of work keeps each fully occupied. Secondly, the system is simple and each operation is clear-cut so that all work is checked and balanced daily. This factor alone effects real economies in time and expense.

The system is, moreover, novel in that because of this simplicity each machine illustrates clearly the particu-

lar kind of work for which it is intended by the manufacturers.

Two eight-column mechanically-operated adding machines are used solely for straight listing work, and demonstrate by rapid addition the ease of providing control totals. Three electrically operated non-listing calculating machines of the full keyboard type show the speedy completion of extension work, the computation of wages and the independent checking of control card figures. A typewriting accounting machine illustrates the mechanized handling of dividend records—four records, dividend warrant income tax voucher, office record and banker's list all prepared at one operation. Two each of the adding-subtracting statement stock record and ledger posting machines show ideal combinations of functions for the specific purposes implied by their names.

Finally, the duplex accounting machines illustrate a variety of general purpose uses in analysis and dissection.

Smooth Routine Method for Orders

The daily orders, averaging 400 to 500, are handled as follows. Six or eight girls concentrate between the hours of 8.30 a.m. and 10.30 a.m. upon the typing of the orders in triplicate. Distinctive colours are used to facili-

tate departmental analysis. The first copy is attached to the original order, the second provides the packing instruction, and the third the medium of sales analysis.

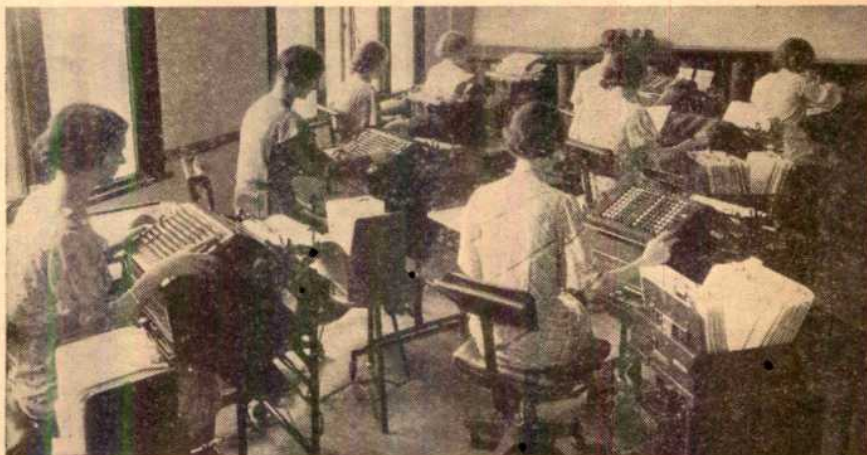
After the goods have been packed, the packing slip is passed to the typists for the preparation of the invoice in triplicate, viz.: customer's copy, ledger posting copy, and statistical day book copy for analysis purposes.

Ledger Posting and Analysis Made Easy

The invoices are numbered consecutively and the first step is to list on a prepared sheet just the total for each against its serial number. This provides the total value of orders received. The next stage is a machine pre-list of invoices in ledger and area order, the country being divided for convenient handling into 27 areas, covered by a like number of ledger sections, the customers' sheets in each section being arranged alphabetically. The sub-totals derived during the pre-listing process provide not only a control figure to check against the serial number list, but also individual control figures for each area.

As the sales ledgers are divided into 27 areas, it becomes a simple matter to

(Continued on page 20)



Seven different types of machines—adding, book-keeping, calculating and typewriter accounting machines—all supplied by the same manufacturer—are used in this completely mechanised office of Andersons' Rubber Company, Bristol

CONSULT BURROUGHS!

The Machine Accounting Experts

On the mechanisation of any
accounting work in any kind of
office—large or small

Burroughs experts will study the
work from the machine standpoint
and submit detailed proposals—
without expense or obligation of
any kind

Burroughs

BURROUGHS ADDING MACHINE LIMITED
Chesham House, 136 Regent Street, London, W.1

'Phone Regent 7061 (Private Branch Exchange)

Burroughs manufacture a complete range of Accounting Machines, Adding Machines, Statistical Machines, Typewriter Billing and Book-keeping Machines, Calculating Machines, Cash Registering Machines, Correct Posture Chairs.

turn up the customer's ledger sheet and to "stuff" in the copy invoice for posting.

On one side of the racks containing the ledgers sit the clerks occupied upon the stuffing process, on the other, are the machines and their operators. When any ledger is ready for machine operations it is turned with the binding toward the operator, so that she can see at a glance which ledgers to proceed with.

The ledgers are of the loose leaf type so that each sheet may be removed, posted in the machine and replaced. As the operator aligns the sheet in the machine, she checks the name on the invoice to see that it has been "stuffed" correctly.

The sheet is ruled for debit and credit

entries and net balance. The machine operation is to pick up the old balance from the sheet, to make the entry, and to throw out the new balance and post it. As each item is posted a journal record is made by carbon copy, and upon completion of the ledger, totals are taken showing the total value of items posted, the aggregate of new and old balances and the net difference. This net difference ties up with the total of individual items and with the total shown on the pre-list of invoices in ledger and area order. Thus the proof of correct posting of the sales ledger is automatic and yet independent.

Credit notes, prepared in triplicate, are also included during the stuffing process and are posted at the same time.

The "statistical day book" copy of the invoice is the basis for sales analysis. Hence is obtained by straight listing an analysis by five departments by segregating those for each department by colour. The operator sets up quantity and selling price and thence derives totals for each. The final grand total is reconciled as to quantity with the total stock journal posting and as to value with the sales pre-list.

We Have Day-to-Day Stock Control

The copy order shows retail prices, and it is therefore necessary before posting the stock records first to extend the cost price for each item. This is done by the warehouse before sending their

(Continued on page 22)

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This shows the statistical day book copy of order with cost prices extended, linked up with departmental sales analysis and stock journal record. Space does not permit our showing the individual stock card, of which the ruling is the same as that of the control card, but it will be clear that the successive items in the journal record are the figures posted to the stock cards of each line of goods. The total quantities and value resulting from all these postings is transferred to the control card, as shown herewith. The quantity total is tied up as shown, and the values are independently checked by application of the quantity on each stock card to unit cost.

for Machine Accounting Kalamazoo Double-Fast is the right Equipment—*Why?*

1 Because - at a turn of the handle - you have either loose cards for posting or a bound book for reference. Your records must be loose - to feed the machine; they must be bound and compact

2 Because of security: Except when accounts are actually being posted, it is a Book and therefore can easily be stored in the safe at night.

3 Because of accessibility: Accounts are stored in convenient units, available for reference at any time. No sheets "out"; records always complete.

4 Because of accuracy: No lost nor misplaced accounts. Single accounts need not be taken away for reference: complete book must be taken.

5 Because of compactness: Occupies a fraction of the space taken by cards. Fifty thousand accounts can be kept within easy range of operator in a floor space of just over one square yard - 3ft. 3ins. by 3ft. 3ins. Five thousand accounts can be housed on a shelf 5ft. wide.

6 Because of economy: Saves time of machine operator and other office departments. Saves costly space on floor and in strong room.

7 Because of portability: It is a Book and can be handled and carried from place to place with ease.

ADVICE

- without obligation

We have a Systems Department and an expert staff for advising on Machine Accounting installations and equipment problems generally.

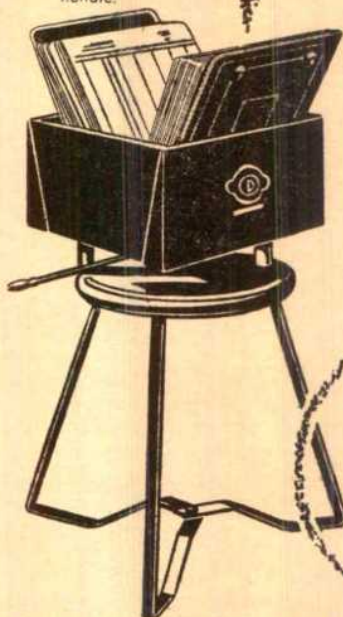
We give full service before, during and after installation. Demonstrations are given gladly.

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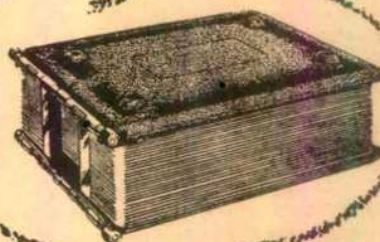
Below is shown the new Machine Accounting Binder - DF Model E.

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... is placed in the Release Stand and becomes a CARD LEDGER AND TRAY at a turn of the handle.



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Business, Sept., 1934

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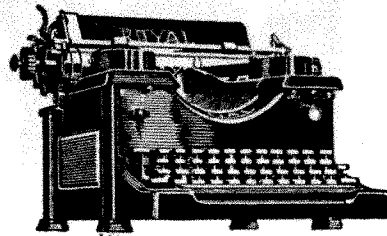
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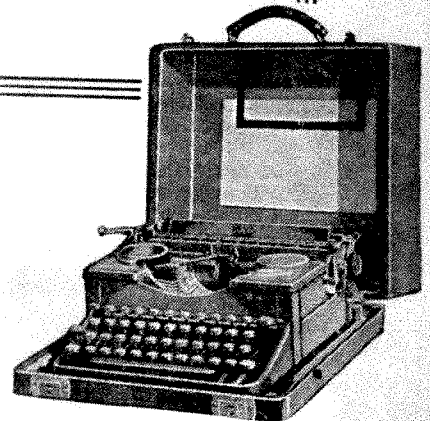
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50 MILLION Dead Letters A Year

Through Out-of-Date Mailing Lists and Improperly Addressed Letters

HOW MUCH OF THIS LOSS IS YOURS?

September starts a busy season of direct mail campaigning and postal circularizing.

You can save yourself money in actual loss of cash, and at the same time make your campaigns more effective and profitable, if you take the precaution of overhauling your mailing lists to ensure that they contain only names and addresses that are fully correct.

Look at the note at the heading of this short article—a total of FIFTY MILLION addressed pieces, all paid for and posted, wasted every year entirely through negligence on the senders' parts!

You Do Not Know How Much You Lose

The bulk of this enormous quantity of postal matter which has "mis-fired" is destroyed by the Post Office authorities, since it is sent under penny or less postage, and it is not requested by the sender for return in case of non-delivery.

Senders of this kind of material are not advised by the Post Office of the quantity of "mis-fires" which are destroyed. The proportion of their mailing lists which suffer thus may be high, but ignorance of the amount of

the loss the more strongly demands that precautions (in the way of careful checking) should be taken against it.

This Plan Will Check the Loss

A check-up on circular matter sent out under low rate postage can be made by printing on the envelopes or wrappers a request for their return in cases of non-delivery. The sender will then get back from the Post Office all his mis-fires. The return postage of $\frac{1}{4}$ d. or 1d. to be paid on such packages is well worth while since the dead names and addresses can then be corrected in the mailing list or weeded out altogether. In fact, where big scale cheap mailings are dispatched, even from lists which are thought to be accurate, it is a good plan, at intervals, to have non-deliveries returned in this way for checking purposes.

Three-halfpenny letters and other packets which are always returned by the Post Office in cases of non-delivery can, of course, easily be checked up on the mailing list.

Postal matter goes astray not always because the names and/or addresses are completely wrong, but often because they are incomplete and sometimes be-

cause they are illegible through faulty addressing machines or careless operators.

Use this Addressing Guide It is Free

To any business man or mailing department head who asks for it, the Postmaster-General will send a special leaflet, "How to Address Letters". This leaflet not only explains fully the reasons why postal packets go astray, but it illustrates by diagram how envelopes *should* be addressed. This illustrated leaflet is intended to be hung up in the circularizing department of a business as a guide to those who carry out the important duty of addressing.

It Saves Money in Two Directions

You may not know what proportion of that fifty million annual loss your own letters represent, but it is an obvious, common-sense move in the reduction of sales overheads to give this matter of mailing-list checking your serious attention. You gain in two ways by doing so—cash money saved on stamps, and your mailing "shot" as a whole concentrated in effectiveness.

Three Other IDEAS for the Man Who Writes Letters

The managing director of a firm of radio manufacturers found that a good deal of business was being lost through delays or complete failure of executives to answer letters. Finding that a memorandum had no appreciable effect, he took vigorous action. Each morning he opened the letters himself, while his secretary sat near him with a number of strips of paper with the name of one executive at the head of each. The managing director glanced through each letter and decided to which executive it referred. Then he called out the name and address of the correspondent, and his secretary entered it on the appropriate strip of paper. Each evening, the secretary saw all outgoing letters and ticked on her lists the names of those correspondents who had been dealt with during the day. Any names still unticked after three days were scrutinized, and the executive concerned was asked to explain the matter. This procedure was followed regularly for a fortnight, and the dis-

appearance of slackness was remarkable. Since then occasional unheralded 'swoops' by the managing director have shown that the cure has been permanent.



Much correspondence is of the sort which demands a definite 'Yes' or 'No' in reply, and one executive has arranged with his secretary that when the bottom left hand corner of a letter is folded over, the answer is 'Yes'; when the bottom right hand corner is folded the answer is 'No'; a fold of the top left hand corner means that an answer must be delayed until a conference has been held to discuss the matter, and one on the top right hand corner, that he will dictate a special answer. The secretary can then proceed to answer the letters by the form letters which she has for the purpose, leaving those for special answers until the afternoon when exactly half an hour is set aside for dictating letters.

"In this way," says the executive, "I can deal with my correspondence by an hour's concentrated work in the morning and half an hour's dictation in the afternoon leaving the rest of my time free for other jobs."



The sales manager of one concern has a distinctly original method of dealing with letters to prospects. Before he has seen a prospect, he always signs himself 'Yours faithfully, —'. After he has seen the prospect once, he still has 'Yours faithfully' typed on his letters, but when signing them, he invariably crosses out the word 'faithfully' in ink, and substitutes the word 'sincerely'. He does this because he believes that this gives the letter a particularly personal touch which, if it does not actually build immediate sales, goes a long way to build the good will on which future sales depend so largely.

All Ready for the New Start

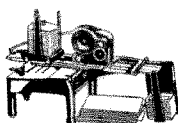
Business men to-day are tackling the development of industry and business from a new angle. They are tackling it more and more from the central point—the office, the administration centre—rather than from the factory or production point. The article by C. H. Costello, on another page, indicates the extent to which the office now specifically controls the factory.

A vast amount of new evidence exists to support this, evidence which, moreover, is rapidly increasing in volume from day to day. It is necessary only to look at the revolutionary developments which have been made in office equipment and appliances, the tremendous strides which have been made in the advancement of office design and methods, and the evolution of office control and policy to the exact science which it is to-day, to understand the importance in modern industry which the office has become.

Interviews during the past thirty days with progressive business men have clearly demonstrated that in preparing for increased future business these men are *planning from the office*, equipping the office as the point of control from which *all* other units of their organizations will logically derive their development. This is in striking contrast to the practice of a few years ago when the business man's idea of expansion was, broadly, to extend the factory, put in more plant, take on more salesmen, sell more goods—and just trust to the existing office organization being able to cope with any increase in turnover that materialized.

Manufacturers of the most modern systems of office equipment are selling vastly more of their products than they were a few years ago, and, what is

STILL BETTER OFFICE EQUIPMENT
AND SERVICES. HERE ARE TO-DAY'S
VERY LATEST IMPROVEMENTS FOR
OPENING-OF-SEASON BUSINESS



WHICH OF THEM
CAN YOU USE?

important, they are selling more and more to the small and medium-size business. Complete proof has been established of the fallacy that only the really big concern could afford to buy, or needed to use, modern mechanized equipment, in fact, the very opposite has been proved; it is the smaller concern which makes a proportionately higher saving in costs and a greater increase in efficiency by the adoption of to-day's mechanized methods and scientifically-planned systems.

It is quite impossible, in the space available here, to describe all the improvements which have recently been made in office machinery, appliances and services to make them of even greater value to the business man who wants to progress. Only a few outstanding points can be touched upon.

For example, it is freely acknowledged that the display of control figures by means of comparative graphs, is an infinitely more effective and easily understood method for the average executive than is the usual balance sheet of figures. But in

many concerns there are no people available who can quickly prepare graphs of adequate value.

A new appliance is now on the market by means of which graphs can be mechanically produced on a display background by people who have no ability whatever for drawing. These graphs can be made to represent accurately any factors, singly or in combination: budgets, sales, costs, production, complete financial positions, and so on. They are, moreover, more accurate than the average hand-drawn representation, quicker to produce, and require no expert knowledge.

This appliance is one of the newest additions to executive control.

Users of one-line strip visible indexes have hitherto suffered the disadvantage that the protecting strips were liable to rapid wear and tear. To-day, Carter-Parratt, Ltd., are marketing an entirely new one-line strip index frame which overcomes this disadvantage; it is claimed as the biggest advance yet made in one-line recording.

The extension of air-mail services has prompted a development in postal franking machines. Machines are now available which will imprint the high value stamps necessary for some air postages. Any individual postage stamp can now be imprinted up to 29s. 11½d. in value with one imprint; it is no longer necessary to print combinations of values to make up a total.

Another addition to these machines is a device which seals envelopes at the time of franking.

Burroughs' Adding Machine have come into the market with a new electric carriage typewriter. Shifting the carriage, spacing and "caps" are all operated electrically by the lightest touch.

The Kardex section of Library Bureau, Ltd., have a new high capacity safe-file for visible machine-posted records.

A high-speed rotary duplicator with automatic feeding and counter at the low price of 15 guineas is a proposition well worth considering. An illustration of it appears in the Arlac advertisement on page 41.

A new paper feed, a ½-inch increase in length of writing line and chromium plated

How Modern Equipment Assists Your Business

Enables

—Closer Control over the
whole organization
with:—

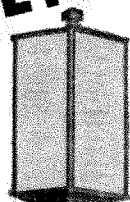
Greater Accuracy
Greater Speed
Simplified Routine
Less Worry
Less Fatigue
Less Waste
Less Cost

Results

Bigger Turnover
Greater Purchasing
Power
Wages Up
Higher Net Profits
Workers Happier
Beneficial Reflex Action
on Other Trades
All-Round Prosperity

SIEMENS "NEOPHONE" PRIVATE TELEPHONE SYSTEM

keeps you in
touch with
every department.



MOST
EFFICIENT
...
ECONOMICAL
...
RELIABLE

See our Exhibit at the
Building Centre, 158 New Bond Street, W.1

For Sale outright or on Rental

WRITE TO

RELAY AUTOMATIC TELEPHONE SECTION

SIEMENS BROTHERS & CO. LTD

38-39 UPPER THAMES ST. LONDON E.C.4. Phone CENTRAL 2332

INDEXING ADDRESSING RECORDING

3 services from
ONE SYSTEM

Installing the Addressall Indexograph System is the prelude to getting the utmost from every enquiry. In one convenient, durable unit the Addressall Indexograph combines index, record and addressing stencil. It systematizes and simplifies the recording of such data as: name and address; source of enquiry; members of families; subscription rates and renewal dates, etc.

The long-wearing stencil—cut on an ordinary typewriter—can be operated, even by an office boy, for addressing mailing and routine matter of every description. Write for specimen and full particulars.

ADDRESSALL INDEXOGRAPH

COMBINED RECORD INDEX & ADDRESSING

ADDRESSALL MACHINE CO.

266 HIGH HOLBORN, LONDON, W.C.1

Phone: Holborn 3571/2

*New Velvet Touch
Silent Carriage Return*

MODEL NO. 19

BAR-LOCK

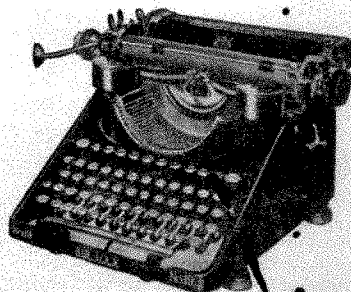
The wonderful responsiveness of the new touch and the elimination of all noise in the carriage return are two striking features of the new Bar-Lock which would of themselves place it ahead of all other machines. There are in addition many other important developments—a New Paper Feed, Increase of $\frac{1}{4}$ inch in Writing Line of Correspondence Carriage, and Chromium Plated Finish, being some of the most noteworthy features.

MADE IN
ENGLAND

NO INCREASE
IN PRICE



BAR-LOCK (1925) CO.
NOTTINGHAM, ENGLAND
Telephone: Nott. 75141/2
Makers of the
BAR-LET PORTABLE



finish, are important additions to that popular British typewriter, the Bar-Lock. See their announcement on page 27.

Machine accounting is a rapidly-developing and vitally important factor of business management of to-day. But it is a highly specialised branch of management. Whether or not you are considering an immediate change-over to mechanized accountancy, or if you are already a user of such a system, turn now to the announcement on page 19 by Burroughs. The service they offer is one with which you should be acquainted.

The moisture content of the air in your factory or store may considerably affect your materials. The Humatagraph is an instrument which enables you to read—like reading a thermometer—exactly what the air moisture content is at any time. See page 36.

Wallace Clarke & Co., on page 36, offer an interesting service. Could they help you on any matter of policy or control?

Visible indexing is one of the essentials for the speedy and accurate reference demanded to-day. It is one of the most useful factors in the speeding-up of the whole business. The Carter-Parratt system, and the excellent service behind it, are announced on page 2.

Would it not mean a lot to you to be able to save 50% and the cost of handling your entire business correspondence? Yet this saving is possible. But this is not by any means the only advantage made possible by the Dictaphone. Read Mr. Dixon's specific statements on page 1, and then test them in your own office.

The autumn is a season for selling. But it is good, bright ideas which are the sales manager's most effective equipment. Crichton Studios specialise in ideas. Their announcement is on page 2.

There is no room to outline them here, but there are six outstanding advantages claimed by Dictograph Telephones for their automatic loud-speaker instrument on page 39. No business man should fail at least to read these six points. Rapid and efficient inter-communication is an essential factor. It is fully provided for here.

Save £1 6s. 8d. on every 1,000 multiple stationery forms completed in your office. Pretty good? Fanfold Ltd., on page 2, offer to prove that you can do that.

If you pack your product in any sort of a barrel or cask, or if you think that kind of container would be suitable, turn to page 40 and look at the Guelph patent cask. It's unique of its kind.

If you are thinking of distributing Christmas novelty gifts among your customers this year, now is the time to choose your gifts. Harpers, see page 44, can help you.

Here's good business for a British cash register: G. H. Gledhill & Sons, Ltd., of Halifax, have sold two batches each of 400 "Monarch" registers to Marks & Spencer Ltd. This order follows a previous one for 150; thus Marks & Spencer have bought a total of 950 of these machines.

The latest improvements in over 100 main factors of business control and routine are outlined here and in other pages of this issue.



Check them against to-day's condition of your own business. Where could you profitably introduce one of these latest developments?

Gledhills are building an additional factory to cope with this and other increasing business. Their sales and service departments have also been improved and extended in every part of the kingdom. Page 44.

Carbon copies without interleaving carbon paper. Consider the enormous saving of time which this makes possible in a busy office. Look further into this and the speed-feed typewriter attachment described by Egry Ltd., on page 4.

Quite a unique scheme which provides for employees against sickness, old age, death and other contingencies, is outlined by the Ideal Benefit Society on page 42. A postcard will bring you all particulars.

"Three ways to increase sales", specially described by acknowledged experts and published as a folder, can be obtained, free, in return for the coupon offered by Kardex, on page 36. This is well worth getting.

Do you know about the Protechnic Ediphone? The latest developments of this well-known instrument of "voice writing" are highly interesting. They are outlined on page 6.

"Time will tell"—exactly how many paid-for minutes a year of your time are wasted by employees. The Gledhill-Brook clock on page 39 will put an end to this elusive burden of unproductive overhead costs.

How to save 50% of your printing bill: a sweeping statement, you may think. But an explanation of how you can do this, and get other advantages as well, is announced by Rotaprint on page 31.

Blotting-paper can loom as a substantial factor in the yearly costs of the stationery buyer, but even here a saving can be made—without any sacrifice of fine quality. Get the attractive samples advertised by Lancaster Bros. & Co., on page 37.

"No more disputes on pay-day". Lancaster's also offer a very clever idea designed to avoid all such disputes. It is worth having a look at, on page 44.

A readily portable office printing machine is a sales-aid appliance which no sales manager should overlook; and when one of these machines can be bought for as low a price as £7 10s., British made at that, the proposition certainly commands attention. Lang Clayden, Ltd., tell you more about these machines, and larger ones up to £85, on page 43. Incidentally, they claim to produce the only office printing machines which will print on made-up boxes and cartons.

Does your correspondence and all your sales literature state your claims and appeals to readers in finely-chosen English exactly suited to each job in hand? Examine the buff inset, "The Magazine of English", enclosed in this issue. Four pages of vastly interesting matter on this subject.

Young men ambitious to improve their position and to become executives will find particular appeal in the Metropolitan College announcement on page 23. Employers anxious to have their young men become thoroughly efficient will be equally interested. See the coupon for the useful free booklet.

Real photographs instead of reproductions often have a far greater pull in certain fields of selling. These can be obtained at an extraordinarily low price. See B. Marshall's prices on page 44.

There are a thousand industrial uses for webs, tapes and other narrow woven fabrics. Look over the ranges offered by Thos. French & Sons, in the blue folder inserted in this issue.

Did you know that a small portable air purification apparatus could be obtained for so small a cost as £4 15s. od.? This is a product of the famous Ozonair firm. It is illustrated on page 37.

"A good illustration is a more powerful sales aid than a column of text." That is a true remark. But it is equally true that a poor illustration is a misdirected effort, and often a source of lost profits. Nickeloid make some interesting remarks on this subject on page 40.

The loose-leaf record books of Ruddock & Sons, Lincoln, are well known. Their "Robin" loose-leaf book indexing system makes these books particularly easy for reference. See the illustration on page 44.

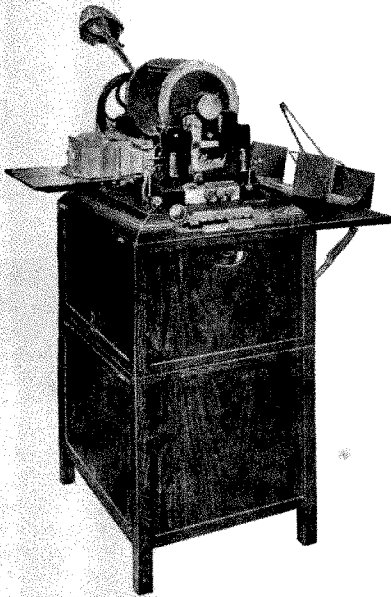
Record books of another type, expanding steel-back ledgers and thong ledgers, are described and priced by The Bravon Ledger Co., in the folder enclosed within this issue. Incidentally, this company has recently moved to a bigger factory, to cope with increased orders. A good sign.

An offer of real interest to all office stationery buyers is made by Rikarbon on page 38. Apart from the special offer of two typewriter ribbons and a bunch of high-grade copy paper at an amazing price, their argument, drawing a simile from motor cars, that you don't buy new wheels every time you buy new tyres, certainly has force.

Philip Samuel, on page 44, will send particulars of how you can reduce your office costs.

(Continued on page 40)

Business Firms choose the Duplicator which gives the best service



Ellams M.10 Electric Rotary
Price 85 Gns.

THAT is why Ellams M.10 Automatic Electric Model is the outstanding machine for Duplicating work. Sales Letters, Circular Memoranda, Notices, Reports, Plans, Leaflets, etc., etc., can be printed in the privacy of your own establishment quickly and at small cost. The Ellams range of Duplicating appliances and equipment is the largest offered, consisting of Flat Bed and Rotary Duplicators from 45/- to 85 gns. and includes Stencils, Inks, Typewriter Ribbons, Carbons, etc.

at Stand No. 59 at the
Manchester Efficiency Exhibition Oct. 1-6
the full range of Ellams Appliances will be shown

*Suppliers to Government Departments, Crown Agents,
and the largest Business Concerns all over the world*



ELLAMS DUPLICATOR COMPANY LIMITED
12 King Street, Cheapside, London, E.C.2. Tel. Met. 8881
Liverpool: 14 Dale Street Manchester: 24 Booth Street

Smith's Electric Clocks CONSIDERABLY REDUCE OVERHEADS

BY encouraging punctuality and alertness these ever-accurate clocks improve staff efficiency. They end the expensive misunderstandings and mistakes which faulty clocks are always causing. Yet they need no winding up or regulating and cost no more than a shilling or so a year per clock to run.

Smith's Synchronous Electric Clocks are also most effective as continuously "alive" advertisement for individual establishments and for branded goods. They help distribution and speed up sales.



Issued by

SMITH'S ENGLISH CLOCKS, LTD.
Cricklewood Works, London, N.W.2

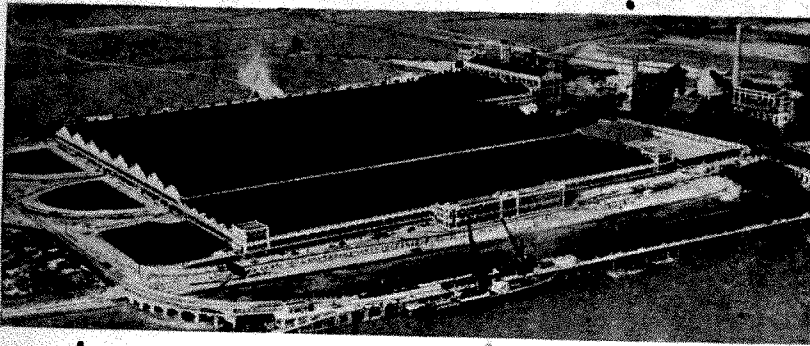
*Lists of standard patterns and estimates
for special designs free on request.*



PLUG IN TO GREENWICH TIME

Scientific

Watch These Points When You SELECT a FACTORY SITE



The steady demand for factory sites and buildings which has existed during the past year or so is now rapidly approaching a boom, to meet the excellent prospects which are now everywhere apparent for a big revival in trade generally through the coming autumn and winter.

The actual choice of a site is a matter of the utmost importance to the business man who is contemplating factory building or extension. It is no mere platitude to make this statement, though it may appear to be such an obvious remark at first sight. Many sites are chosen after a cursory examination and brief discussion have suggested that the conditions suit the enquirer at the moment. Later on, however, serious snags have been known to develop, snags which could easily have been avoided if the site question had been gone into as exhaustively as it should have been at first.

There are many points which the business man must look out for and analyse. Among them are the following:—

1. Geographical situation: location, relative to the factory, of supplies of raw materials AND markets for the manufactured goods.
2. The obvious questions of price and terms of payment.
3. Rates and other local charges. Careful comparisons must be made, district with district, as these vary between very wide limits.
4. Can additional land in a suitable position, and on suitable terms, be secured for future extensions? This is a long range view which every manufacturer must have.
5. Road, railway and water transport facilities, bearing in mind that every yard of transport of any sort and all unnecessary handling not only add to manufacturing costs, but also have a bearing upon ability to deliver the finished goods. Quick and cheap distribution is every bit as important as the matter of promptly and easily securing raw supplies.
6. The supply of gas, water and electricity. The prices of these services vary so considerably that they call for the most careful examination and comparison, area by area. They are one of the prime overhead costs, and can

loom unduly large if not economically selected. In some areas the charges are on a sliding scale, according to consumption, in others they are on a flat rate; some areas offer substantial discounts and some do not. Choose carefully which suits your purpose.

7. Do not overlook prevailing weather conditions. Excessive dryness or dampness may affect manufacture or stocks.

8. What labour is available in the district? This is of vital importance. If you want skilled labour, see that it is easily obtainable nearby or you will suffer a continuous and very inconvenient labour turnover. The same applies to mass labour. Workers who have to travel long distances to and from work are never so efficient as those who live near at hand. Their proper feeding becomes a problem, and frequent absenteeism for a host of reasons helps to pile up overhead costs.

9. Drainage, and possibilities of tipping refuse or scrap. You may have waste products which are difficult to dispose of. Local objections may be raised.

10. A long range view of the district

There's NEW Business Here

New dress fabrics, made by a combination of wool and mohair, have recently been exhibited. In one of them, a botany wool warp and a mohair weft are employed in such a way that a series of fluffy ridges is formed along the piece. In another, a pebble effect is produced by exploiting the shrinking properties of the wool. Other unusual and potentially useful combinations are those of wool and rayon, and cotton, rabbit wool and jute.

A press for storing gramophone records, consisting of two circular steel plates threaded with a screw rod, is now on the market. Besides its use as a store for records, it can also be used to flatten warped discs.

A new electric lamp of a special high-efficiency type is about to be placed on the market. It will be 20 per cent. more efficient than the old gas-filled type of lamp and will first be available in the 40 watt size. The lamp is of the coiled filament variety.

as a whole must be taken and considered. Will it develop into the kind of place which will be more and more advantageous to your factory? Will transport and supply services tend to improve as time goes on? Will your buildings and land appreciate in value? Will labour supplies become still better? Is it a growing district for marketing outlets? Have the local councils have any projected plans which may in the future harm your business?

These are some of the main factors which must be considered. There are, of course, others which apply to particular industries.

The railway companies, local town clerks, chambers of commerce and estate agents specialising in industrial site business are anxious to give every assistance to any business man who has to consider factory building and extension. They have, in the past few years, enormously increased their published data which explains every fact and detail which can assist the business man in his choice. In addition, they have experts who can advise on every technical and routine point. Get into touch with them and your problem will become greatly simplified.

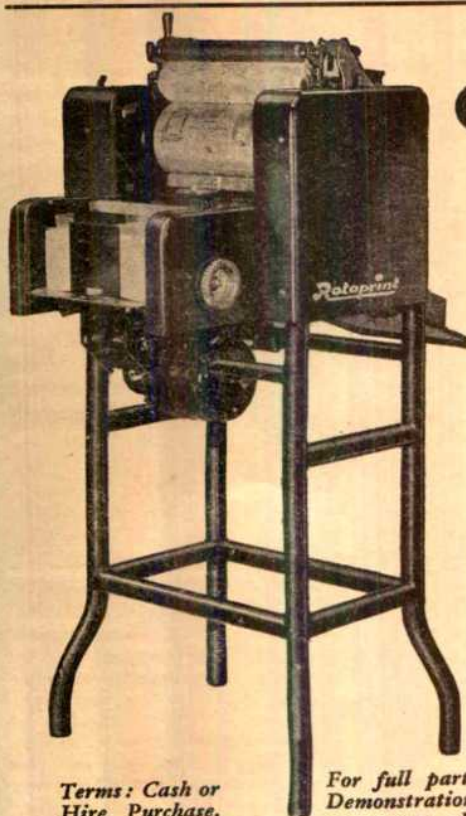
An air-cooled aero-engine, capable of maintaining a very high speed for a long time in both hot and cold climates, has been built by a British firm. It will probably be used shortly for civil aviation, and will increase the efficiency of the air lines both for passenger and goods transport.

Petrol can now be refined from tar so that the yield of petrol is 98 per cent. of the volume of the original tar. The process has not yet been commercialized.

Electric irons with slots in the side near the sole plate make the ironing of garments with buttons on them a simple task, are at present on sale in Germany, and should reach this country shortly.

Another electric lamp, designed for use in displays and decorations, which does not extinguish other lights on the same wire when one burns out, has been produced.

WITHOUT SACRIFICE OF QUALITY



Terms: Cash or
Hire Purchase.

Rotaprint SAVES 50% OF YOUR PRINTING BILL

NO TYPE

No loose type is used
in the Rotaprint process.

NO BLOCKS

No blocks are required
for illustrations.

SAVES TIME

Perfect prints produced
at 3,000 to 6,000 per hour.

REPEAT PRINTINGS

The metal sheet is filed
away and ready for further
prints at a moment's
notice.

SIMPLICITY

Rotaprint can be oper-
ated perfectly by a junior
in your office.

For full particulars and FREE
Demonstration on your own premises
or at our showrooms apply:—

Rotaprint is the most versatile office printing machine on the market, having all the capabilities of larger machines used in printing works, but simplified to produce first class printing at high speed, and at minimum cost.

The producing medium of the Rotaprint is a thin flexible aluminium sheet which can be inscribed by a variety of methods. All your sales literature, stationery, etc., can be printed from this metal sheet, displacing costly blocks and the laborious bugbear of typesetting.

Many leading Business Houses and Government Offices testify to the great savings effected since they installed Rotaprint. Read this extract from the Post Office Magazine:

"Mr. C. W. Burge, Staff Officer, Engineer-in-Chief's Department, has been awarded the M.B.E. ... Exercising knowledge and experience gained outside his official duties, he has been instrumental in effecting considerable savings annually in printing and duplicating costs, in various departments, by the extensive development of the Rotaprint system."

KAYE'S Rotaprint AGENCY LTD.

57a HOLBORN VIADUCT, LONDON, E.C.1

Telephone: Central 5655 (5 lines)

Also at BRISTOL, BIRMINGHAM, LEEDS, NEWCASTLE-ON-TYNE
SHEFFIELD, MANCHESTER

THE "CARRIEST" CARRIER CYCLE

- Carries 3 times the load of an ordinary carrier cycle
- Is safer to ride — easier to balance — easier to start
- Is specially designed for the carriage of goods — not adapted for the purpose



WRITE FOR DETAILS
THE "CARRIEST" CARRIER CYCLE CO.
7 TUDOR STREET, LONDON, E.C.4

MODERN FACTORIES



need modern surroundings and a well-
organized town service for full efficiency

WELWYN

is a new town, 25 minutes from Central London,
specially laid out and equipped for modern manu-
facture, with first-class housing and a cheerful and
vigorous social life that makes for better work.
Factories TO LET or BUILT TO ORDER.

Send for "FACTORIES IN ENGLAND"

From
ESTATE MANAGER
HOWARDSGATE • WELWYN GARDEN CITY • HERTS

THIS AUTUMN REVIVAL

(Continued from page 9)

new-comers to the market. Other British concerns, too, are breaking their own output records. Austin, Standard and Singer all report record sales, causing factory extensions.

The same is true in wireless. A feature of the recent exhibition was the

bulk of the foreign orders. Instead of selling British radio abroad in £100 to £1,000 lots, our makers are now booking £10,000 orders. The bull point for this industry is the way in which mass production has cut out the home constructor. To-day you can buy a better British set for either £5 or £50 than the amateur could possibly build for the same money. This fact is having an

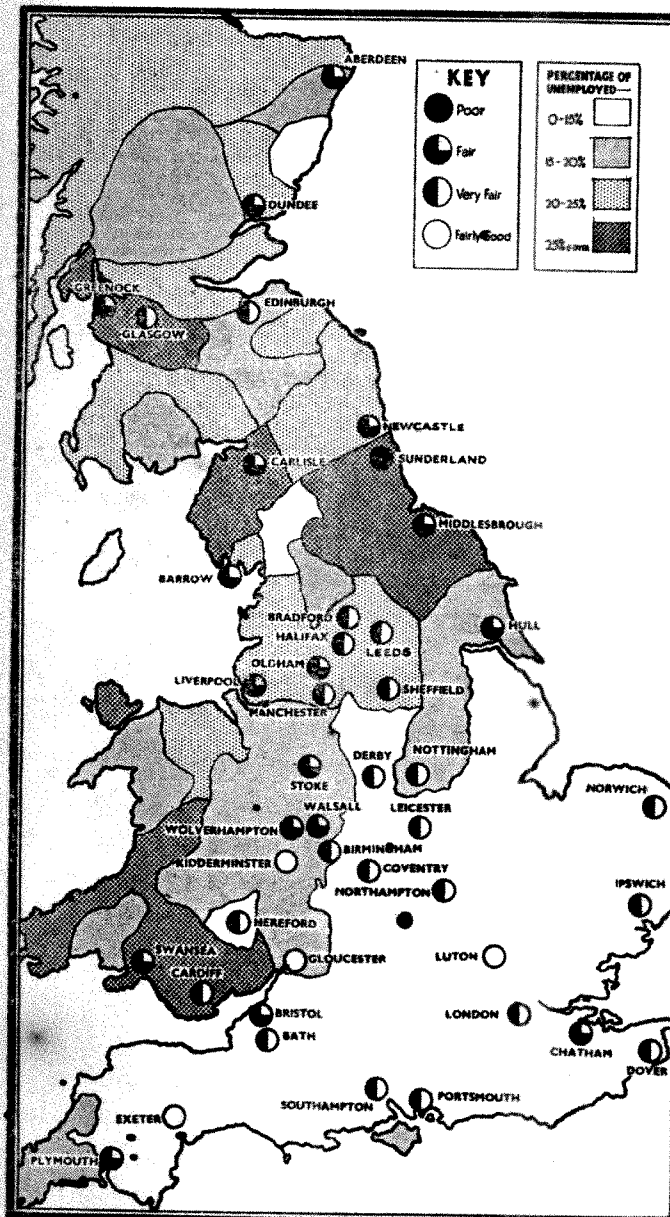
immense effect in opening up foreign markets.

Bad Spots
Not So Bad

The bear factors call for only brief comment. The fall in wholesale prices by .1% is really evidence of steadiness. A good case can be made out regarding it as a bull point.

The rise in unemployment is seasonal. It amounts to about a half of that registered in 1932. One cause for this is the abnormal number of children leaving school, due to the immediate post-War rise in birth-rate. This accounts for 13,000 new names on the registers. The Lancashire Wakes-weeks' holiday accounts for another

HERE IS THE SITUATION THIS MONTH



London District: The gradual return from holidays has brought an increase in general activity. Retail sales are up, and in spite of the holidays, July bank clearings showed an increase on the previous month. There has been a slight rise in unemployment, but it is not large enough to cause anxiety.

E. and S. E. Districts: Agriculture has not suffered as much from the drought as was expected. The number of unemployed in the principal towns is in every case less than it was last year, though it is up a little on last month. The fishing industry has improved. Prices are high, but there have been hitches with German import difficulties in connection with export trade.

Midlands: The lull in general engineering is passing, and the position is satisfactory. The demand for iron and steel is good, and there is little change in the unemployment figure. Motor manufacturers are busy, and structural engineers are much more active than usual. The hardware trade is still active in the home market, but the export trade has been upset by the Continental political situation.

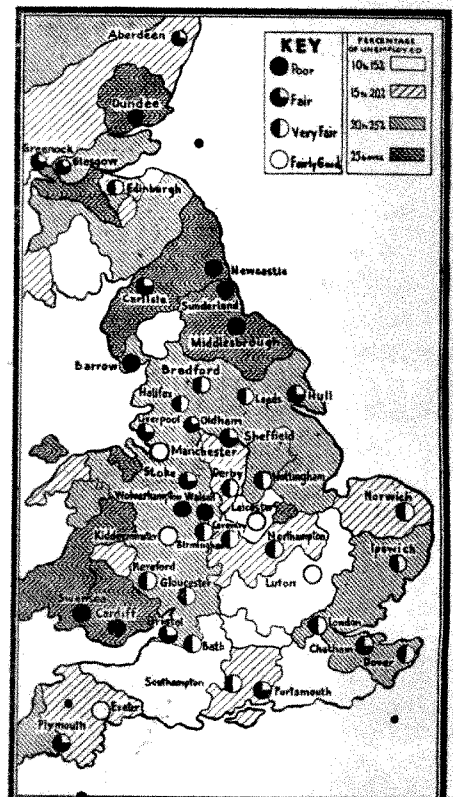
W. and S. W. Districts: The coal trade is dull in South Wales. Stocks are large, and new business is anxiously looked for. The tinplate trade has a fairly bright future; owing to the International Agreement, prices have already risen. The freight market for shipping is distinctly better; rates have improved, and still further improvement is expected. Unemployment is generally better than it was a year ago.

N. E. District: The demand for coal is improving. Already, there is some demand from abroad, and home markets tend to absorb a good deal of the output. There is a good tone in the iron and steel trade. West Riding textile business is quiet, though employment has increased.

N. W. District: The cotton industry is in a poor state, though there is evidence of improvement in the near future. The employment situation continues to be bad, though exports of cotton piece goods have improved more than 10% on the month, and nearly as much on the year.

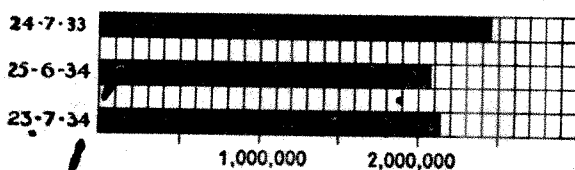
A
YEAR AGO

In September, 1933, the business map was that shown in the reduced reproduction below. But look at To-day's map on the left of it. See how the shaded areas of 1933 have cleared. Notice how the new industrial areas, particularly of the south and east, now have an unemployment figure of less than 10%, while even the northern and west Midland areas, which seemed doomed to the doldrums for ever, have unemployment figures down to less than 20%. Scarcely a single town shows a less favourable position, while notable improvements are observed at Cardiff, Swansea, Gloucester, Sheffield, Newcastle, and Barrow. And the prosperity trend is still generally upward.



UNEMPLOYMENT - DOWN

Number of Insured Persons Unemployed



20,000. Such figures show the very slight flattening in the prosperity turn.

The chief dangers come from abroad. In spite of President Roosevelt's success in reinvigorating the working of the lower middle classes in America, the business executive class seems to be completely without confidence. Mr. J. M. Keynes has well described the average American director as being to-day "sulky and bothered". The new conditions which he so gladly accepted seemed to be proving unendurably irksome.

Add to this the psychological effect of the drought and the persistent threat of labour trouble and the result will inevitably be a much delayed autumn revival in America. This is a serious matter for our own autumn prospects, for a retarded American upturn may have grave results here. Our consolation is that the sterling area, tariffs and trade agreements will act as insulators from any further depression which may radiate from the U.S.A.

A further fall in the dollar may be brought nearer by America's misfortunes. But it is reasonable to suppose that sterling will be allowed to follow the dollar through the action of the Exchange Equalization Fund. In this case America's gains will be negligible.

Possible Danger From Gold

Much more serious would be any devaluation by the gold bloc. There are signs that France is moving at last in that direction. Obviously, too, the economic situation in Germany is becoming desperate. These facts might



For July the "Economist" activity index is 107.8, compared with 103.8 for July of last year. During the past quarter British production came within 2% of the 1929 peak. This compares with falls of 20½-38% for the four other leading industrial nations.

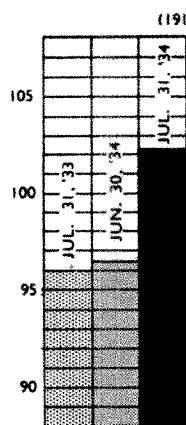
force the government of either country to risk leaving the gold standard. This would entirely damage the situation in the export field. However, the probabilities of either the mark or the franc leaving gold during the next six months are still relatively slight, but they cannot be discounted.

Viewing all the factors, and giving each its relative value, it is reasonable to expect that the revival of 1933-34

will be resumed with unabated vigour this autumn. On such a position the business director will be wise to plan. Timidity and fearfulness as to the situation, though it exists, is not general.

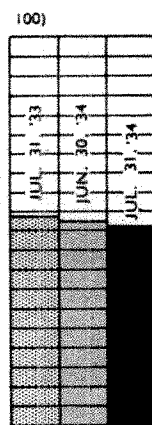
On the contrary, the confidence of British manufacturers in their ability to meet foreign competition as a result of their improved efficiency is firmly growing every day.

COMMODITY PRICES—UP



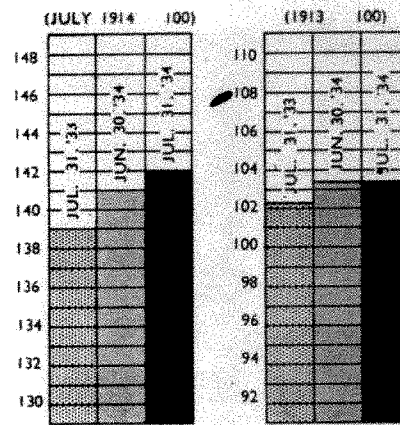
FOOD

COST OF LIVING—UP

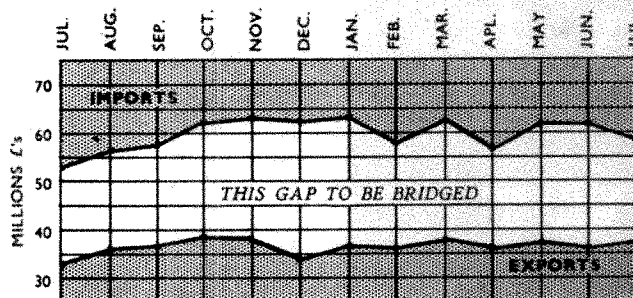


MATERIALS

WHOLESALE PRICES—UP

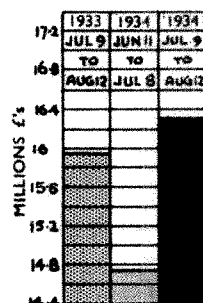


EXPORTS—UP

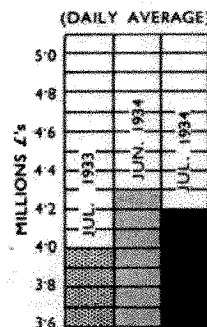


IMPORTS—UP

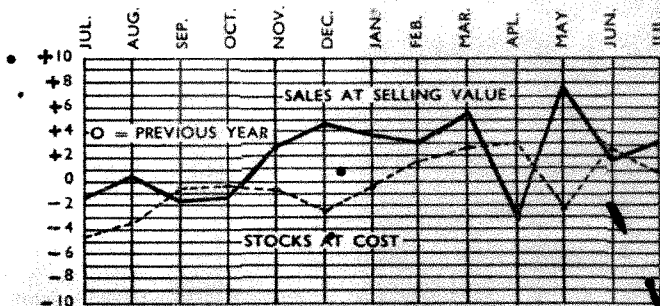
RAILWAY TRAFFICS—UP



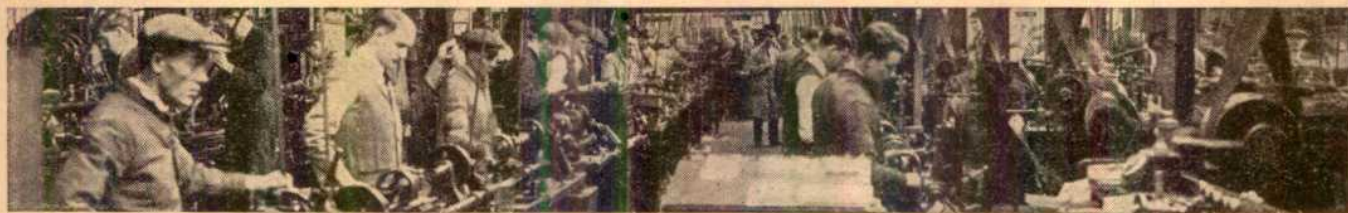
PROV. BANK CLEARINGS—UP



RETAIL SALES—UP



PRODUCTION Management To-day is



. . . IN THE OFFICE

By C. H. COSTELLO, A.C.I.S., A.C.W.A.

The development of industry to the present stage of rationalization, by which we mean "the method of technique designed to secure the minimum waste of either effort or material", dates from about the year 1920, and within the intervening period to the present day the office side has developed those mechanized methods of analysis which have enabled it to play the vital part in the control of production that is seen in the leading organizations to-day.

To understand how control of production from the office has come about and the major part it now plays in efficient organization, it is simplest to consider separately the evolution of each phase.

How Modern Quantity Production Developed

Production in its earliest form began with the passing of instructions from the

time requirements mass production of components was found to present problems of waste, and difficulty of volume control as between different components.

These problems have been solved as to the first, by the evolution of a suitable technique, and as to the second, by specialization, i.e., the manufacture of suitable groups of components by a factory unit designed to produce a predetermined volume.

This is How the Office Began

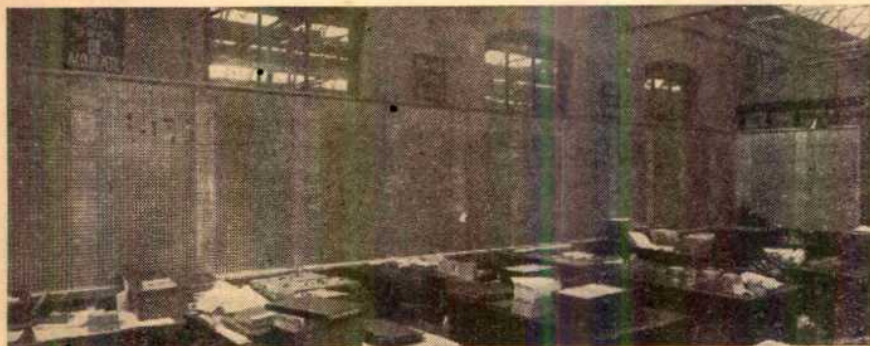
Until about 1900 every man in business was a veritable slave. Considering the cumbersome equipment for the transaction of business in those days one is not surprised. Papers were filed flat in cardboard cases which literally lined the offices from floor to ceiling. To find any particular item for reference

capable of covering a wide range of requirements, yet also simplified machines to appeal to the business of average size.

To-day, at every point in the office, speedy and automatic machinery is establishing its power as a profit-maker.

This morning, for instance, many an executive was able to see from two or three compact typewritten reports a complete picture of the whole of his business up-to-the-minute: in 24 hours' time he will be able to see from similar reports every development that takes place during to-day.

His analytical, recording and accounting work are largely machine processes. Cash is counted by automatic machine. Wages are made up by machine; duplicating, addressing and printing machines maintain day-to-day touch with salesmen in the field, retailers in their shops, customers in their homes. Thus the



Left: Hour-to-hour works progress of six types of heavy motor chassis and double that number of body types is watched through the statistical control of this office.

Below: For the 17,000 employees of the Austin Motor Company, Ltd., coin counting and sorting machines take only 2½ hours to count and insert the entire coin contents of the pay envelopes. Notes still have to be inserted by hand and take another 1½ hours.

proprietor to his workmen to manufacture, i.e., to make by hand, an article to fulfil certain purposes. There was considerable latitude in the form of the product, in fact, the individuality of the workman determined largely what this should be.

The advent of mechanical processes by their very nature limited this form to a standardized product. That was roughly the stage reached in 1914—when the pressing need for countless war supplies brought about a tremendous speeding up until we reached the stage of mass production where each machine in the factory concentrated on the application of one particular process to a very large number of items.

Applied to the wider field of peace-

was the ordeal of a day rather than the incident of a moment. Record-keeping was a matter of "copper-plate" engraving in weighty tomes; trial balances were got out at historic intervals; and departmental digests or reports were unheard of.

The successful executive depended more upon his memory than upon any information it was possible to dig from his voluminous and unrelated office records.

The introduction of the typewriter and the gradual overcoming of prejudice against "new-fangled" methods began the development of the office. Then, about 1920, came the tremendous drive by the office machine manufacturers to achieve versatile machines



modern business day has a hundred hours in potentialities by the standards of 1920.

Where To-day's Office Controls Production

The rationalized organization requires the closest co-operation between all phases of business, including production. It is vital to know whether sales are running ahead or behind production; whether or not the costs of production are too high, or production is insufficient to meet overheads. Accurate current data are as important in regard to this phase as to administration. The requirements of customers show by comparison whether the demand for the company's product can be met.

In determining selling price, cost of production is the basic figure. The cost price fixed must be sufficient to cover material and labour expenses. There must be a complete system of cost accounting, for recording machine and man production, pay-roll records, personnel records, raw material stocks, orders and other analytical records.

With such data at command, the problem of reducing production costs can be tackled with the certainty of getting practicable results.

Small wonder then that the success of accounting, calculating, tabulating machines, intercommunication systems, visible index systems, in the office have led to their adoption in the works also, where they are found to provide, with time clocks, job- and elapsed-time recorders, stock systems, the mechanism for compiling the fullest data.

Not only have these items become a feature of the works office, they have even invaded the factory itself, working beside the lathes whose output they control.

These Results Speak for Themselves

How invaluable the office control of production has become is well demonstrated in the organization of a well-known motor works. Here the punched card accounting machine is used for continuous analysis of the production operations. The key punches that record the information are located actually in the shops, and the prompt records that ensue provide the company with 1,500 facts a minute as to the way

The Real Aim of Business

NOTHING has been more significant during the last twenty years than the growth of a new attitude toward business. To have suggested twenty years ago to the ordinary business man that he was in industry with any other motive than that of making money, would have been to invite a charge of insincerity, but to-day there are thousands of business men, in every walk of life, who realise that beyond the elementary task of making a living, they should be rendering through their work service to their fellows and the community which justifies their existence.

Angus Watson, Esq., J.P.

in which production is going on. The sorting and tabulation of the cards in the office gives a variety of results of striking interest. For example, it is a simple matter, by segregating and analysing the cards relating to the work done, to check that any particular piece of machinery is working to its proper capacity.

The efforts of each operator are susceptible to the same methods, and it is possible to tell at once whether a man was working on night-shift or not. Maintenance charges are analysed, waste material kept in check, output controlled to fit requirements, costs determined with any required degree of accuracy however fine, all from the office. In fact, the output can be visualized without even setting foot inside the works, yet with meticulous accuracy.

Again, in a box factory, practically all paper boxes and other containers are made up according to customers' specifications. This makes it necessary to know what it will actually cost to manu-

facture a special container before a price can be quoted.

Sales cards, machine shop cards, and other miscellaneous items amount to about 3,000 cards a week. Tabulating labour costs by hand would be impracticable because it would require at least six more people, costing in the region of £100 a month. On this basis the machine installation is paying for itself every week.

The addressing machine provides another example. In shop order work, this machine is a remarkable time and money saver, because it puts data of all kinds on shop orders and routine forms, such as cost keeping records, just as easily as it addresses envelopes.

A manufacturer of tractors dispatches in an hour shop orders throughout the entire plant for the making of many tractors, each having more than 1,500 parts. By printing names and data concerning parts in stock on ruled sheets it is easy to take a monthly inventory of 150,000 kinds of parts.

Routing through the factory is easily controlled by addressing machine record on the shop order, showing the departments through which the job should pass and in what order.

A well-known firm of steel manufacturers recently introduced duplicating machines to handle billing work. Eight copies of the invoice are made, including the works order, and a weekly output of 10,000 copies is normal. Here it is clearly the office control of the detail specification achieved by making at one operation all the required copies including the instructions to the factory that eliminates errors, cuts out the need for checking and ensures satisfactory service. The saving over all was *treble the outlay on machines*; and by re-organization of staff, including that of the works office, a saving of £1,000 a year in wages has been effected.

These examples but touch the fringe of the possibilities of office machinery, yet they indicate the extent to which the efficient office can become the focus of control.

If in all the varied types of manufacturing the principle of these high-speed control services is coupled with the accuracy secured by co-ordination of the older style accountancy we cannot fail to maintain the real efficiency for which we have always been noted in the industrial world.

What Office-Control of Works is doing for Progressive Firms

In a well-known motor car firm, office control machinery gives 1,500 production facts per minute. These facts control the movements of every man, operation and piece of material.

In a box-making factory where each line is specially made to customer's own specification, office con-

trol enables the dispatch of price quotations by return of post before any job is started. It saved £100 a month in costing.

In a tractor manufactory, office control means that only an hour or two suffices for monthly factory stock-taking of 150,000 kinds of parts.

In a steel works, office control of factory routine saved *treble the outlay on the office equipment* and £1,000 a year in wages.

In a factory making electrical parts and working two shifts, office control shortened the *average* time occupied from the start of a job to delivery for dispatch from 42 hours to 8 hours.

In a sweet factory, office control enabled a straight increase in production of 18 per cent. and a corresponding cut in costs.

Price edged Trading is a thing of the past

Competition is going to be keener in the future than it has ever been—but it will not be a competition based on price. It will be a competition of planning, of merchandising ideas and abilities with other merchandising ideas and capacities.

This new era demands new methods. Merchandising ideas will not end with a good slogan or a compelling pack. More and more merchandising ideas will spring from facts—the facts of consumer demand—the facts of distribution outlets, and the facts of past and current performance with those outlets.

There are but **THREE WAYS TO INCREASE SALES** and these three ways are explained in a folder we have prepared in collaboration with many of the keenest men on the marketing side of industry. Hundreds of well-known firms in this country are prosecuting a more inspired, more vigorous and more profitable sales policy after adopting this new basis.

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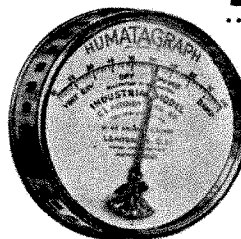
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TALKIES MAY HELP YOUR SALES

While the talking film may not necessarily be the best medium for promoting sales in all lines of business, it can undoubtedly be used profitably in a great many cases.

There is now no difficulty in getting suitable films made; the principal difficulty is getting them shown to possible customers.

The interest of buyers may be aroused collectively or individually, according to circumstances. Many products, services, etc., offered to the public can be introduced to large audiences; other things are of interest only to small groups or to individuals, and there are overlapping cases. Of course, the advertisement screen used before and between cinema and theatre performances, is always available. Many cinemas can be hired for use at times outside the regular entertainment periods, but this procedure is not often applicable, it is far more important to have the means of showing talking films at any convenient time in any hall, office or room. This means that some form of portable projecting and reproducing apparatus must be available.

At first the portable machine for using the larger (35 mm.) films was considered to be the right thing for this purpose, but owing to its cost, size and weight, the tendency is now to substitute a much smaller machine utilizing 16 mm. non-inflammable films, and arranged so that it can be carried easily into any room, and set up without undue bother or delay.

Such a machine has been developed and perfected so that the presentation of pictures and sound is obtained with a degree of perfection in the same class as that of the large cinema talkies. Films relating to almost any subject can be made without difficulty, and existing 35 mm. films can be reduced easily to 16 mm. It is also possible to add suitable sound to existing silent films.

This Equipment IS Portable

This 16 mm. reproducing equipment can be carried conveniently in the back of a car and the operator can set it up in a few minutes. In this way a demonstration can be given in an office, show-room, lecture hall, private house, or anywhere that is convenient.

A room in, or adjacent to, any current exhibition or show attracting crowds of people, may be used with advantage for public demonstrations. There is also good opportunity to utilize bazaars, sales, parties, cruises, dinners and so on.

As regards the character of the films themselves, if they are to be used for

(continued on page 43)

THE 40-HOUR WEEK

(Continued from page 10)

"The real secret of the commercial success of the system," he says, "is clear. Owing to thorough works control and the detailed planning of each job, the employee is now able to work effectively for perhaps fifty-five minutes in every hour instead of forty-five. The fact that he could not do so in the past has been no fault of his."

Mander Brothers find that the new leisure is made use of by the men largely for cultivating their gardens. It also enables them to follow the local football teams in "out-of-town" games. During the summer many people get away to the seaside or into the country. The women and girls are able to assist in the housework and to plan their shopping more effectively.

Clerical Work Only on Saturday

A second interesting experiment is now taking place at the great glass works of Pilkington Brothers at St. Helens. In this case the working week has been reduced to 42½ hours. It has been accompanied by important re-organization work, but here again, no reduction in wages.

The detail of the scheme is interesting, since it allows for work on Saturday, which is essential in a continuous process like glass-making. Day people work from Monday to Friday 8 a.m. to 4.45 p.m., with a break for dinner, 12 noon to 1 p.m. On Saturdays they work from 8 a.m. to 11.45 a.m. Workers on shifts work 42 hours per week.

While Pilkington Brothers are not prepared to make any statement as to the success of the scheme or otherwise, since they regard it as still experimental, it is significant that the scheme has been in operation for nearly thirteen months.

These two experiments may have far-reaching importance, for, unlike the Ford scheme, they are not applied to the production of mass-produced consumer goods. Nor are they allied to any high wage payment system like that of Ford's. They are in closer relation to current English practice, yet they are being carried through without loss of wages to the workers.

Obviously, no scheme which entails the closing down of production departments on Saturday can be worked without bringing in a certain number of clerks and dispatch department people on Saturday morning.

The firm with the longest experience of the short working week, Messrs. Rowntree's, say that a small group of six or eight clerks are brought in on Saturday morning as part of their normal week. On other days of the week they work a shorter day than their fellows.

Similarly, half a dozen workers are brought into the dispatch warehouse,

(Continued on page 38)

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Selling costs

Sales follow-up

Mailing lists

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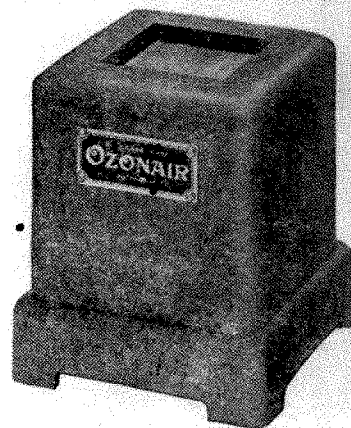
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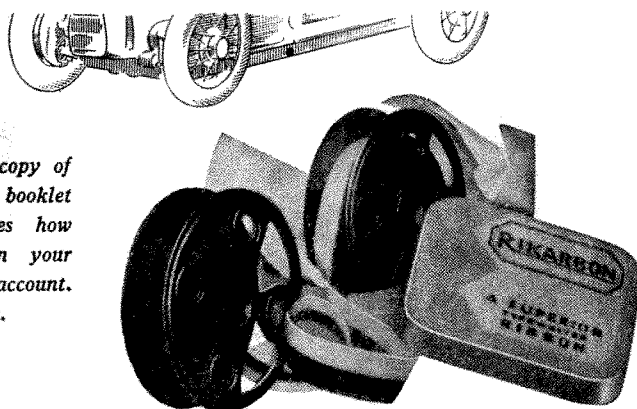
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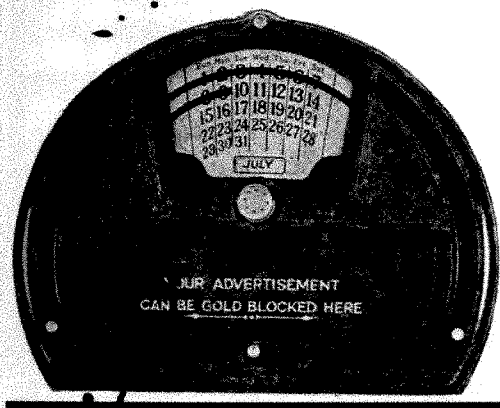
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but this counts as overtime and is shared in rotation among the dispatch staff.

About one-third of the company's postal staff work on Saturday morning as part of their normal week, to deal with the morning's mail and to have it ready for Monday morning.

Experience indicates that a much smaller staff can be used for dealing with orders received on Saturday morning for dispatch work and for correspondence than would be imagined.

With this minimum staff, deliveries need not be slowed up; customers' ill-will can be avoided; work can be started on Monday's orders as early as if the whole business had been functioning on Saturday morning.

Those concerns which use steam for power benefit most from Saturday closing. Many firms report a definite economy. Added to the better maintenance work, which normally follows the plan of having plant standing on Saturday morning, this is a big consideration.

Some Workers Rejected the 40-Hour Week!

It is not generally known that in one case a year or two ago the workers refused the 40-hour week. The employers suggested that they were ready to close on Saturday and reduce the working hours from 44 hours a week to 40, if they could obtain the same output in 40 hours as they had done in 44.

While the women workers were in favour of the scheme, the men's unions were against it. Apparently they feared this might be the thin edge of the wedge for requests for still further production with lower wages as an alternative.

All the facts seem to show that no shorter hours' plan can be carried through successfully without the goodwill of the workers, a wage payment system which connects wages with results and every possible improvement in the planning and organizing of the work.

More Experiments Should be Made

These four instances are not sufficient evidence on which to make wide generalizations. But it can be claimed that in certain industries it is possible to pay the same wages for a 40-hour week as for a 47-hour week and thus to avoid dismissal of workers.

Naturally, the shortening of hours does not increase employment, if the same output is reached in the shorter working week. On the other hand, if the same output is not reached, costs must rise. So that a 40-hour week is no panacea for unemployment.

On the other hand, the experience of Mander Brothers shows that it can avoid increasing unemployment, if accompanied by a scheme for retiring elderly workers on a pension.

We should be glad to hear of further experiences from readers who are experimenting with the shorter working week.

£3,500 MECHANISATION

(Continued from page 22)

the latter extracted from the expenses sheet.

The remittance advices and traveller's total cost sheet are then written up together from the record card by machine.

The details printed consist of name, salary and wages, insurance contributions and expenses, with the net amount of the cheque extended on the right hand side, cross-computing being again automatically effected and totals of columns taken by the machine. Final posting to the ledgers of the totals is then a simple matter.

Thus the tedious hand job becomes a straightforward machine job speedily completed and proof against error.

How the Change Over Was Made

The method of effecting the change-over is interesting to those contemplating such a step.

Taking customers' ledger as an example, the first step was to type out a complete list of 33,000 names and addresses with the balance standing in each ledger account. The latter items after completion were listed on the adding machine and the resulting debit and credit totals agreed with the control figures. Meanwhile, the new ledger sheets were prepared on the typewriter with the customer's name and address and then sorted into the 27 geographical groups.

The lists showing the balances were cut up so as to provide posting slips for each ledger, the slips being then stuffed into their appropriate places next the ledger sheet to which they referred. Finally, the balances were transferred to the new ledger sheets by machine, and the control figures obtained during this process agreed with those already set up. The whole process took very little time and caused no disorganization of the accounting work, since the mechanized system made it easy to catch up on the accumulation.

Controlled Development is Now Practicable

What conclusions emerge from our eighteen months' experience of mechanized methods?

First, complete control of stock is secured. It enables direct control of the buying by departmental managers and dead stock to be detected and moved by special sales effort. Unprofitable lines soon emerge under the searching investigation now made not only possible but easy. It is also very easy to effect a surprise check upon any one of the 4,000 lines, and the knowledge that this is liable to happen at any time stops pilferage.

Secondly, in the office a greater volume of work can be handled by a reorganized staff, which, by reducing office expenditure 60% has covered in a very short time the capital outlay on

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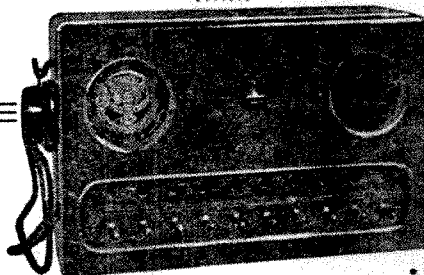
3. Hold a Conference between several of your departmental "heads" without anyone leaving his department "leaderless".

4. Hear their replies aloud through a loudspeaker as distinctly as if they were standing at your side. If you wish your replies to be for your own ear only, an earpiece is provided.

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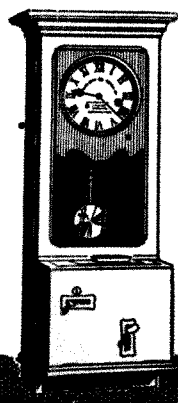
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the machines. Scientific working with control figures always available removes the need for close supervision of the machine operators, and being efficient they check their work at each stage so that no error may remain undetected. Overtime is reduced: peak periods are smoothed out.

The goodwill effect of accurate and clear statements rendered most punctually to 33,000 customers is no inconsiderable item. Collections have responded and business is on the increase.

In short, the firm now knows with a minimum of effort how every phase of its business is going in good time to control the direction of it. The calibre of the personnel is weighed up by scientific measure. The state of the firm's finances is determined each month with proved accuracy. "Hunch" is replaced by "punch".

ALL READY FOR THE NEW START

(Continued from page 28)

The Sorter Graf is an ingenious device which enormously speeds up and simplifies the sorting of correspondence, invoices, or any kinds of documents. It also gives immediate availability of any kind of the material passing through it on the way to file, posting or other destination. Nationally known firms all over the country use this clever device. It is illustrated on page 2.

What can we say that you do not already know about Royal Typewriters? You might look, though, at their latest portable model on page 24.

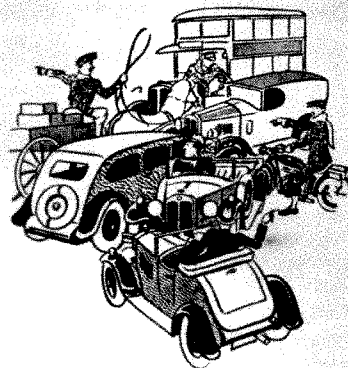
The modern business lives and progresses on *current facts*. These must be accurate and instantly available. The average business man's difficulty is not so much to ensure the accuracy alone of his facts, but to combine this feature with their lightning availability for practical use. Shannon, Ltd., on page 37, offer a 500 page book, free to executives, explaining how this can be done.

It is realized to-day that a firm's letter paper is its advance salesman, that it carries the "atmosphere" of the House into the hands of prospective buyers. Enclosed in this issue is a sample of Harelaw Bond paper from J. Galloway & Co., Ltd. If you are interested, they offer to send you sample sheets of various other grades.

Rapid and efficient internal communication is of vital importance to every business. Siemens Bros. have spent years of research developing telephony. To-day their Neophone system of internal communication is one of the things which every executive should know about. The instrument is illustrated on page 27, but full details for an equipment in your own office will readily be sent to you.

"Plug in to Greenwich time". Businesses all over the country are doing this by means of Smith's electric clocks. The obvious advantage is avoidance of all

A bad blunder...



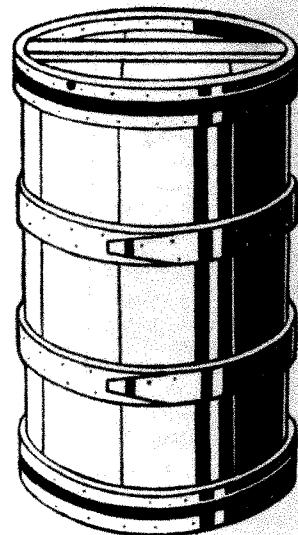
ANOTHER CATALOGUE in sore distress, on account of poorly printed illustrations. Not the printer's fault. But *somebody* had blundered. Probably, because the catalogue ran into some hundred pages, with three-colour half-tones predominating and large size black-and-white tone illustrations on the balance of the pages, some responsible executive had mooted the idea of trying out cheap engraving. A typical instance of the folly of not hiring the most efficient craftsmen for the job. ¶ Get to know *Nickeloid*, leaders among the master-craftsmen of process-engraving. *Nickeloid* representatives are at the service of plate-buyers in most areas of Great Britain and Ireland. ¶ The Nickeloid Electrotypes Co., Ltd., Printer Street, London, E.C.4.

WRITE FOR FOLDER, "ARCHITECTURE"

Nickeloid

CREATIVE PHOTOGRAPHERS & BLOCKMAKERS
P424

STRONG PERFECT-FITTING CONTAINERS



Strong, light, elastic, GUELPH Casks are made in 400 sizes and several styles. You can be certain that your products will arrive in good condition if you pack them in GUELPH Casks. Ask for a quotation.

THE GUELPH PATENT CASK Co. Ltd.
West Ferry Road, Millwall, London, E.14

Telephone: East 0279

Also at Manchester, and Scotstown, Quebec, Canada

departmental disputes as to time differences, and the fact that no attention whatever is needed to keep accurate synchronized time throughout the organization. As Smith's announcement on page 29, current costs only a shilling or so per year per clock.

An editorial article on page 30 outlines the points to watch when considering the building of a new factory or extension. Various areas all have their advantages and peculiarities; but one of the best known sites for factories is at Welwyn. The announcement on page 31 gives you the address from which to obtain further particulars.

There is a permanent exhibition of every type of accounting machine at Unex Ltd., where users can exchange their existing machines, buy or hire new or reconditioned machines or arrange for any kind of repairs. This is a most useful specialized service in connection with that fast developing factor of modern management: mechanized accountancy. The Unex announcement is on page 4.

A new type of visible recording—at a new and very attractive price—has been introduced under the Seldex name. This latest development, and Seldex other recording systems, are well worth your attention. The company will be glad to send you particulars and/or to examine any of your recording problems. See Seldex advertisement on page 4.

Delivery cycles with three times the normal carrying capacity are shown by The Carjest Cycle Co., on page 31. The ease with which a youngster can cycle with such a load up a 1 in 4 gradient may be a bit exaggerated in the drawing; but you will get the idea.

An electric desk calculator, small but entirely automatic, is one of to-day's real needs in most businesses. This excellent little machine is supplied by the Marchant Division of L. C. Smith and Corona Typewriters Ltd. See page 41.

Something unique in the way of loud-speaker telephones is offered by the famous firm of Ericsson Telephones Ltd. on page 6. The separate loud-speaker on the wall is worth noting, though, if necessary, the executive can cut out loud-spoken replies and hear them, in confidence, through a special earphone.

Some method of quickly taking down adequate notes is a godsend to many executives. Speedwriting provides such a method—without the drudgery of having to learn orthodox shorthand. An interesting booklet on the subject is offered by Speedwriting Ltd., on page 42.

An illustration of one of the latest Ellams' duplicators appears on page 29. These machines range from 45s. to 85 guineas; within these limits a really first-class model can be found to meet the needs of every business.

There are vast possibilities in the "dual-use" patent letter form by Drydens Ltd., enclosed within this issue. Any sales or publicity man with ideas can visualize a dozen forceful ways in which such a letter

For results that are— **AUTOMATICALLY ACCURATE**

*No Specially
Trained
Operators*



All calculations required in modern business can be done by Marchant Machines with a saving of 25% to 40% in time and cost.

And results are *automatically accurate* because all the operator's attention can be given to feeding the correct figures into the machine. Operator fatigue is a thing of the past.

Invoice, costs, percentages, pro-ratings—Marchant does them all, and more. Send for full particulars to-day.

MARCHANT CALCULATING MACHINES

- ★ FULLY AUTOMATIC
- ★ SEMI-AUTOMATIC
- ★ HAND KEYBOARD & ROTARY MODELS

100% ELECTRIC OR HAND OPERATED

**L. C. SMITH & CORONA TYPEWRITERS Ltd.
MARCHANT DIVISION**

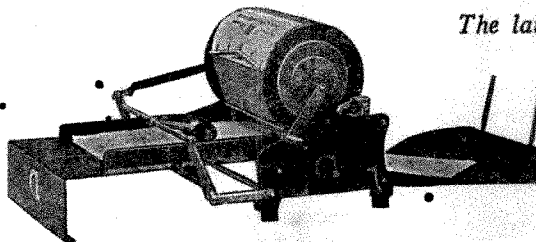
MELBOURNE HOUSE, Aldwych, London, W.C.2

Cranford House, Cranford Court
Manchester, 4

Stand No. 8
Free Trade Hall

Insist on installing an 'Arlac' Rotary Duplicator

The latest and most up-to-date Model



"Arlac Fourteen"

Retail Price £15 15s.

comprising:—

Automatic Feeding, Automatic Counter, Closed-in Drum with Roller distributing the Ink to regulate density of print, which enables you to duplicate perfect letters, etc., at the rate of several thousands per hour.

● WRITE FOR
DEMONSTRATION

**The
ARLAC DUPLICATOR CO., LTD.**

3 St. Paul's Churchyard, London, E.C.4

Phone VIT Y 3867

SOUND BUSINESS BEGETS BIG BUSINESS

That is why two large manufacturing firms directly employing approximately 22,000 have arranged schemes for their employees with

The Ideal Benefit Society

These schemes provide for

SICKNESS

OLD AGE

DEATH

In addition, favourable terms are arranged for House Purchase.

An unique system of Mortgage Assurance (House Purchase combined with Life Assurance) enables the member's widow to receive the property free of all encumbrance in the event of the untimely demise of the Mortgagor. This is arranged with

The Ideal Life Assurance Company Limited

which also conducts all classes of Life Assurance.

The member's property and all other fire and general insurance (except motor insurance) can be covered at competitive rates by

The Ideal Fire & General Insurance Co., Limited

Thus, at one address and under one roof, are all the normal contingencies of life provided for.

Why not drop a postcard enquiry to

**The General Secretary
PITMASTON
BIRMINGHAM 13**

can be used. Drydens will readily send prices—and suggested ideas, too, if these are needed.

Millions of bicycles are used by works employees all over the country. Constructors Ltd. is a firm which specializes in "bicycle parks", a scientifically planned system of economically and securely storing your workers' cycles. Look well at the illustration on page 5. Doesn't that solve the space problem?

A first-class fountain-pen of real "executive" quality for 12s. 6d. is a bargain not to be passed over. Moreover, the name behind it is sufficiently famous to be accepted as a guarantee. We refer to the "Jewel". A typical model is illustrated on page 24.

There are a hundred and one pieces of small equipment needed from year to year in every office. A list here would fill this page. A few of such handy appliances, however, are illustrated inside the front cover of this issue, at prices which are right. Taylor's Typewriter Market is well known as a keen price house. Also they have always a "special" on offer. They are worth keeping in touch with for this feature alone.

Can You Reduce Your FIRE PREMIUMS?

The small trader must have adequate fire insurance cover.

True, the premiums may appear fairly heavy to those who do not understand some of the "wrinkles" of the business, but there are many quite common-sense precautions which can be taken to reduce the risks of the insuring companies, who will then be willing to reduce the amount of the premiums.

Fires are caused by circumstances which are well understood by the inspector visiting any premises; it is his business to note these circumstances and to make his report. The assessment is then based on this report.

Many apparently trivial things have an influence on this report either way. It is therefore up to the business man to create all the circumstances he possibly can which will operate in his favour.

Have fire extinguishers, and have them visible and instantly to hand. Most insurance companies will give a reduction in premium right away.

If you keep oil, paint, etc., do not keep it in a wooden building. That will be another heavy black mark against you.

Post notices prohibiting smoking in your stores and other places where carelessness would be dangerous, and see that your staff observe the injunction.

Any trader can take these precautions; they do not involve any great cost. The insurance inspector will note them all on his report in your favour, and your fire premiums will be considerably reduced.

Moreover, you will inspire the confidence of the insurance companies. This is always an asset on the goodwill side of the business.

Secret code-dating
is essential for all
perishable goods

The BEAM CODE-DATING MACHINE

— the simplest, most effective
and most economical method

enables producers and packers to determine with complete accuracy the day, month and year when any given package was packed, labelled and dispatched. No disfigurement of label is made, markings being inconspicuous except to those who know the "Beam" method.

Labels do not adhere—
EVEN WHEN GUMMED AND
HIGHLY VARNISHED

The "Beam" code dates WRAPPERS, LABELS, CARTONS and COUPONS for LESS THAN ONE-TENTH the COST OF ANY OTHER PROCESS. It is adaptable to ANY MATERIAL and can be OPERATED BY A CHILD. The

"Beam" is in use in many of London's largest factories. Let us send you fullest details and sample labels.

**Output 70,000
labels in one hour**
Inconspicuous—Clear—Definite
**NO ADHESION OF
THE LABELS**

C. C. GIBSON

St. Hubert's Works, Gerrards Cross, Bucks
Phone: Fulmer 31

LINOLEUM

RUBBER

JOINTLESS COMPOSITION CORK PARQUET

For SHOPS, OFFICES
SHOWROOMS
WAREHOUSES
FACTORIES

PLAIN OR ELABORATED

Quality samples and quotations will follow
your enquiry

Modern Floorings Company

306 Brixton Hill, S.W.2

Phone: Tulsehill 3523

SPEEDWRITING THE NATURAL SHORTHAND

Only letters of alphabet used.

Proficiency in a few hours without drudgery. LEGIBLE AS LONGHAND. Use it for notes of interviews, instructions, etc. Home Study Courses. BOOKLET FREE WITHOUT OBLIGATION.

SPEEDWRITING, LTD.,

102 Cecil Chambers, 76-86 Strand, London, W.6.2
Phone: Temple Bar 7186

NO SIGNS TO LEARN

"LANGAPRES"

**Portable
Printing Machines**
ARE

**EFFICIENT & ECONOMICAL
IN ANY OFFICE OR FACTORY**

REPEAT ORDERS RECEIVED FROM SOME
OF THE LARGEST FIRMS IN EVERY TRADE

FOUR MODELS FROM—
£7 : 10 : 0 to £85 : 0 : 0

BUY BRITISH

*The United Kingdom imported
Office Equipment in 1933 to the
value of nearly—*

£1,000,000 !!!

ORDER NOW

OWING TO THE INCREASED COST
OF MANUFACTURE, PRICE OF
OUR No. 1 OUTFIT WILL BE
INCREASED TO

£9 : 10 : 0

FROM OCTOBER 1st, 1934

BUSINESS EFFICIENCY EXHIBITION

**FREE TRADE HALL
MANCHESTER**

OCTOBER 1st to 6th, 1934

STAND 64

Full particulars from :

LANG CLAYDEN LTD.

BUSH HOUSE, ALDWYCH, LONDON, W.C.2.
TELEPHONE : TEMPLE BAR 3253.

TALKIES MAY HELP YOUR SALES

(Continued from page 36)

presentation to more or less heterogeneous collections of people, and if interest in subsequent demonstrations is to be maintained, special care must be exercised to ensure that the subject matter has the maximum general appeal. Some of the most successful publicity films do not reveal their advertising object until the end is almost reached, and then the suggestion is delicately conveyed in such a way that the audience does not feel that the main object has been advertisement, but rather that what they have seen and heard has been designed to entertain them; interesting things associated with the commodity lead up to a complete impression of pleasure and a final realization that the enjoyment has been provided by someone seeking their goodwill and interest. Where time and opportunity exist, publicity films are naturally sandwiched between purely entertainment films.

Films intended to interest busy individuals can, if necessary, be models of brevity and strictly technical, and films of the lighter variety can be held in reserve by the demonstrator in case the observer's interest in the method of presentation is such as to suggest a profitable prolongation of the demonstration.

Room For Films in Most Sales Drives

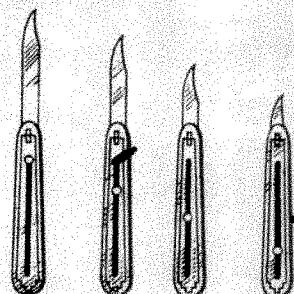
The advantage of the portable sound film is that it speaks for itself, and no expert is needed to explain the technical or less obvious details; the film can tell its own story.

The businesses in connection with which publicity films can be prepared for direct appeal to prospective customers are, of course, extremely varied in character and also as regards likelihood of favourable response to film stimulus. Firms specializing in large plant and apparatus, for example, have to deal usually with individuals or small groups of individuals, and it is where films can portray special machines in operation, plant in process of manufacture, or non-portable samples for the inspection of distant clients, that such films particularly suggest themselves as useful additions to sales resource.

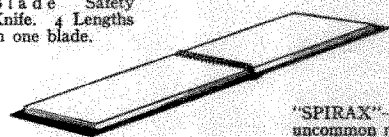
Many large firms already have collections of excellent silent films of this nature, and they will no doubt consider continuing their film records in the future with the modern addition of sound. In this connection, it should be remembered that, in most cases, they can continue to take their pictures with their existing cameras, and the new films, or their former films, can have speech, music, noises, etc., post-recorded upon them.

Articles, materials, or services for general or domestic applications can be introduced, described and demonstrated to hundreds of people at a sitting, and many diverse general projects suggest themselves for treatment in this relatively new "16 mm. way".

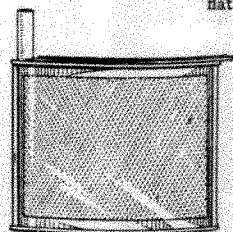
Exclusive GOODWILL NOVELTIES



The Marris Slide
Blade Safety
Knife. 4 Lengths
in one blade.



"SPIRAX"—the
uncommon note-
book. It opens
flat.



The curved "Springboks"
cigarette case in Bakelite and in engine-turned Goldline. Slide the lid and your cigarette springs to attention.



"Kwite Rite" Desk pad—
puts your message on the
customer's desk. Well
designed and finished.
Rubber feet for the protection of highly polished surfaces.



The "Real" pencil. A mechanical
masterpiece. Nickel silver or
rolled gold.

Decisions for Christmas novelties
should be made immediately.
Send for samples and suggestions
without delay.

**Francis Hollings
& Company**
101, New Oxford Street
LONDON, W.C.1
TEMPLE BAR 8501



BUSINESS houses are eliminating unpleasant wage disputes by employing LANCASTER'S NEW PAY WALLETS—the really efficient pay envelope. Employees can check their money—even handle their notes, without extraction and without tearing the wallet. In case of a mis-count, wages can be easily checked without opening, the sealing being absolutely secure and permitting of wages being made up and sent any distance without risk. Yet LANCASTER pay wallets are with practice speedier than the ordinary transparent envelope because notes need not be folded.

Free sample Wallets
and Prices on request.

LANCASTER BROS. & CO.

Cash Bag and Envelope Specialists
Shadwell Street
Birmingham 4

Reminding the Buyer
daily of your Firm

Memo
Slip
Containers
& Calendars

1/6 to 3/6 each

HARPER

Advertising Gifts pay!
Write for list of suggestions
D. HARPER & CO. LTD.
256/262 HOLLOWAY ROAD, LONDON, N.7.

P.S. Your problem of cutting office costs can be solved by Philip Samuel, Consultant for Better Office Methods.

HE PERSONALLY INVESTIGATES AND ADVISES
PHILIP SAMUEL Write for particulars.
29 HIGH HOLBORN, LONDON, W.C.1

TWO SALES IDEAS

Realizing that shoes are not all mere shoes—those with jewelled heels for instance, are much more aristocratic than others—a retailer has opened a new salon in his shop planned to deal with the more exclusive styles of footwear only.

In this specialized section he has segregated a collection of his finest stock. It is supervised by highly-trained assistants, who, chosen from the rest of the staff, received a preliminary course of training in every phase of the production of boots and shoes, as well as lectures on the human foot and its maladies, and methods of curing and preventing them. They are qualified to talk authoritatively to customers on every subject connected with boots and shoes and feet, and their advice is no small attraction to people who enter the shop.

A manufacturer of a product used in houses and sold through retailers has a special section of the sales department whose duty it is to sell to retailers for their own use. This has three results; it adds a considerable market (there are between 5,000 and 6,000 retailers on his books); the salesman's canvass familiarized the dealer with the selling points of the product; it gives the dealer a special goodwill interest in, and familiarity with, the line. He can sell better the goods which he himself understands and uses.

BE PREPARED

for the autumn rush by getting a new Till now. Good trade can be made even more profitable by using a Till which prevents leakage and deals efficiently with every transaction. See that you get a "Gledhill", of which there are over 100,000 in daily use. Send for catalogue with details of over 30 models for your choice.

G.H. GLEDHILL AND SONS LIMITED
10 TRINITY WORKS HALIFAX
British



Easy, Economical Record-Keeping

The "Robin" Looseleaf Book indexing system ensures that information is found with two or three flicks of the finger.

"Dead" leaves can be removed and fresh ones inserted in a few seconds.

Inexpensive to install and maintain, "Robin" Looseleaf Books would save you time and money. May we send you one on approval?

One "ROBIN" Looseleaf Book with A-Z index and 200 leaves ruled stock record, faint, cash or double ledger, sent on seven days' approval for 9/6 post free.

Illustrated catalogue of Looseleaf Books and Office Equipment sent post free on request.

J. W. Ruddock & Sons
LINCOLN

also at 3 Old Jewry, London, E.C.2



250 - 17/6
500 - 29/-
1000 - 52/6

REAL PHOTO POSTCARDS

Reproduced from any Photograph, Drawing or Sketch.

Photo Business Cards - 250 - 3 1/2 x 2 1/2 16/-
All styles and sizes of Photo Printing quoted for. Send for Booklet "Real Photographs for all trades". Trade Enquiries Solicited.

B. MARSHALL Photographic
— Printers —
NOTTINGHAM
LONDON OFFICE: EXCEL HOUSE
WHITCOMB ST.—Phone: Whitehall 2606

USE THIS COUPON

If you desire information from
the Editor or from Advertisers

To BUSINESS Service Department, 6 Carmelite Street, E.C.4

Please send, without obligation, more information in connection with advertisement (or advertisements) in the SEPT., 1934, issue of BUSINESS numbered below.

Numbers (see Index page 5).....

Firm

Address

SHOULD GENERAL MANAGERS LICK STAMPS?

CLOGGING ROUTINE WORK
THAT WASTES THE TIME
- - OF BUSY MEN - -

By THOMAS DIXON

Supposing when you called upon the general manager of an important firm you found him licking stamps and placing them on envelopes, would you think the firm's affairs were well-managed? Or would you conclude at once that a new general manager was urgently needed?

Perhaps the question looks foolish. But it is not so foolish as it looks.

Any office boy can lick stamps. To employ a high-priced executive to do such work would surely be to plumb the depths of time and money wasting.

An executive has, or should have, just two real jobs. The first is to think and plan developments, for sound executive thinking is essential to business progress. The second is to supervise the operation of his plans by his subordinates. Successful operation depends upon good supervision.

When an executive has to undertake routine and detail work there is something wrong. A high-priced man is wasting his time on low-priced work. He is simply "licking stamps".

An hour a day wasted by an executive earning £2,000 a year represents a 5% dividend on £5,000 of capital. Yet thousands of executives spend much more than an hour daily on work that could be done by a secretary at £3 a week.

To give executives time to think is an essential part of sound business management. It means that they must be put in a position to delegate routine and detail work to their subordinates.

"Can I properly delegate this job to somebody else?" is a question that should always be in the mind of every executive. It isn't shirking; it's just plain business common-sense. The executive has no business to be doing a job that a cheaper man could do. If he does it, it reduces the time which he gives to his proper work of thinking and planning.

Try the experiment of keeping just for one day an accurate chart of the jobs you do and the time you spend on each. Never mind how trivial they may seem. At the end of the day you will be asking yourself respecting item after item: "Why didn't I tell Miss Smith to do that? She could have done it perfectly well."



There's the rub. No doubt Miss Smith could have done it *if she had the time*.

But Miss Smith's job keeps her busy. Perhaps you give her a couple of hours' dictation of letters. It will take her four hours to transcribe them—six hours gone out of the day. What chance has Miss Smith, with her filing and other work to do, to take routine jobs off your shoulders? The answer to this question is found in the dictating machine and in the dictating machine only.

Dictate *everything* to The Dictaphone. Dictate to the machine your letters, memoranda, instructions, ideas, your business thoughts. Don't wait for Miss Smith; don't disturb her from her work. Tell her through The Dictaphone.

Don't fetch Brown from his office to give him verbal instructions, some of which are sure to be forgotten. Tell him through The Dictaphone, and he will get everything in clear, typed form which cannot be misunderstood.

Don't trust to your memory to recall the details of telephone messages or interviews. Dictate them all to The Dictaphone, immediately, while they are fresh in your memory.

Everything worth doing is worth recording, and the quicker you tell it to The Dictaphone the less chance there will be of its being forgotten or neglected.

Note what follows.

You get through your work so much faster that you save *at least* an hour a day.

Miss Smith not only saves all the time spent in taking down letters in shorthand, but actually types faster from The Dictaphone. She saves *at least* two hours a day, probably more. Consequently, she is free to take over more of the detail and routine work that burdens you. She thus gives you more time for thinking and planning.

Don't be a stamp lick! Dictate to The Dictaphone. It's just as easy as licking stamps and a lot more profitable.

Write to-day for "Progress", and see how The Dictaphone will help you. Copy will be sent you free on request.

THE DICTAPHONE CO., LTD.
(Thomas Dixon - Managing Director)

KINGSWAY HOUSE, KINGSWAY, W.C.2

And at Manchester, Birmingham, Glasgow, Liverpool, Bristol, Leeds, Newcastle-on-Tyne and Dublin

POST THIS COUPON NOW

THE DICTAPHONE Co., Ltd.

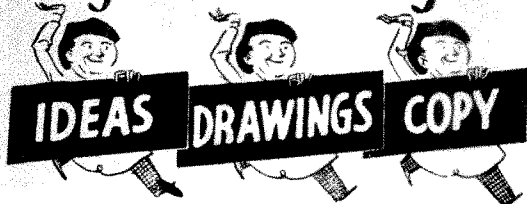
Kingsway House, Kingsway, London, W.C.2

Please send new book, "Progress", free

NAME.....

ADDRESS.....

CRICHTON'S QUALIFIED ADVERTISING MEN *can* make your advertising **PAY!**



Into every piece of advertising material that Crichton Studios prepare for their clients, goes a wealth of extra thought. Sound selling thought that is bred of experience in promoting the sales of a variety of products and services.

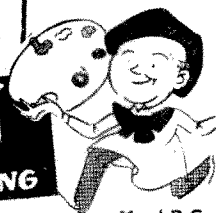
When you come to Crichton for Ideas, Drawings, or Copy for advertisements, folders or catalogues, your requirements receive the same fundamental analysis and consideration as a national advertising campaign.

Alive, keen, confident—the Crichton Group of Trained and Qualified Advertising men is ready to create and illustrate your advertising material in a telling and selling way.

WRITE to-day for the Crichton Tariff—it's full of appetising recipes for building business.

CRICHTON

STUDIOS
FOR ALL YOUR ADVERTISING



Mr. I.D.C.

CRICHTON STUDIOS Ltd., 5 Chancery Lane, London, W.C.2

*** Special October offer to Business Men!**

LEAFLET or FOLDER

that will tickle the reader's palate and make him really want your product. Suggestion in colour for either folder or leaflet including ideas for title headings and general layout **£2:2:0**

Stands 57-58
MANCHESTER EFFICIENCY
EXHIBITION
October 1st-6th



One Machine does the work of Two

Continuous Form Billing in addition to regular typing

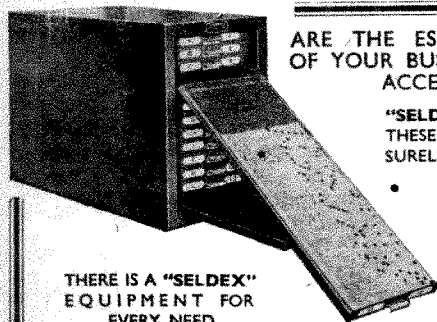
YOUR typewriter actually does the work of two machines when used with "Fanfold" Continuous Form Adapter, because the many time- and money-saving methods of the Continuous Form Billing Machine are added to all the advantages of regular typing.

"Fanfold" Continuous Forms typed over our Attachment effects savings in Billing time, and costs, ranging from 17% to 78% without affecting the operation of the typewriter for regular correspondence and other purposes.

"Fanfold" Adapter places no strain whatever upon the typewriter carriage, because of the very simplicity of construction and operation there is nothing to get out of order.

Fanfold
Ltd.

NORTH CIRCULAR ROAD, LONDON, N.W.2
Telephone: GLAdstone 5477 (3 lines)



THERE IS A "SELDEX"
EQUIPMENT FOR
EVERY NEED

ARE THE ESSENTIAL FACTS
OF YOUR BUSINESS READILY
ACCESSIBLE?

"SELDEX" WILL PRODUCE
THESE FACTS QUICKLY,
SURELY & ACCURATELY

"SELDEX" WILL
CUT YOUR COSTS,
REDUCE YOUR
STOCKS, INCREASE
YOUR SALES AND
SPEED UP YOUR
COLLECTION OF
ACCOUNTS

**BEFORE INSTALLING VISIBLE RECORD-
ING EQUIPMENT INVESTIGATE FULLY
THE ADVANTAGES OF "SELDEX"
THEY ARE MANY**

"SELDEX" covers every known method of visible recording and has earned for itself a lasting reputation for its service to the cause of scientific business management and control.

VISIBLE
CARD
RECORDING

SELDEX

SINGLE
LINE
RECORDING

MADE IN ENGLAND

● Send particulars of your recording requirements to:
INFALLIBLE CARD SELECTING Co. Ltd.

● "SELDEX" Works, Hazelwell Lane
Stirchley, BIRMINGHAM
Kings Norton 1618

● LONDON BRANCH: 24 Holborn, E.C.1 Tel.: Holborn 7391-5

WHAT IS SORTER GRAF?

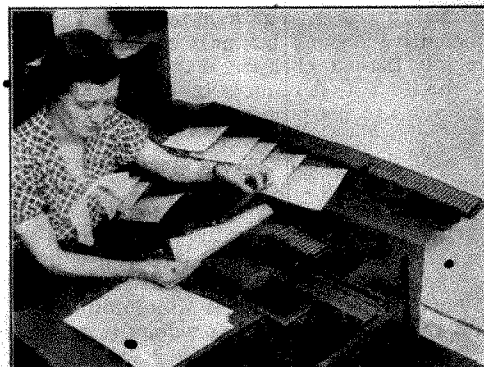
Sorter Graf is a device which solves the problem of fast and accurate sorting of all office papers, letters, sales' documents, invoices, delivery notes, requisitions, etc., by employing the principle of **FEWER HANDLINGS**

**SORTER
GRAF
USERS
INCLUDE**

BOOTS PURE DRUG CO. LTD., CARRERAS LTD.,
HARRODS LTD., W. R. JACOBS & CO. (Liverpool)
LTD., ROWNTREE & CO. LTD., SELFRIDGE & CO.
LTD., JOSEPH TERRY & CO. LTD., ETC., ETC.

SORTER GRAF
can be applied to
your own busi-
ness. May our
representative
call?—without
obligation, of
course!

THE
**SORTER
GRAF Co.**
ALDWYCH
HOUSE
LONDON
W.C.2
Phone:
Holborn 3570



BUSINESS

Complete Journal of Management

IN WHICH AT VARIOUS TIMES HAVE BEEN INCORPORATED:
"THE JOURNAL OF COMMERCE," "MODERN BUSINESS,"
"SYSTEM," "BUSINESS ORGANISATION AND MANAGEMENT."



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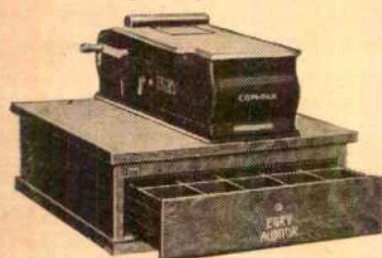


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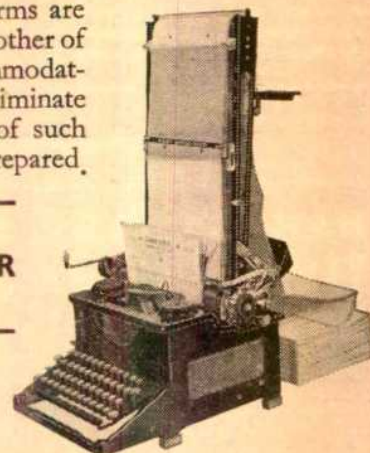
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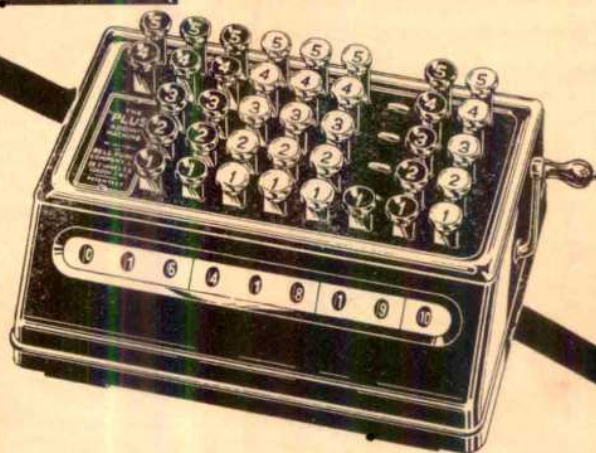
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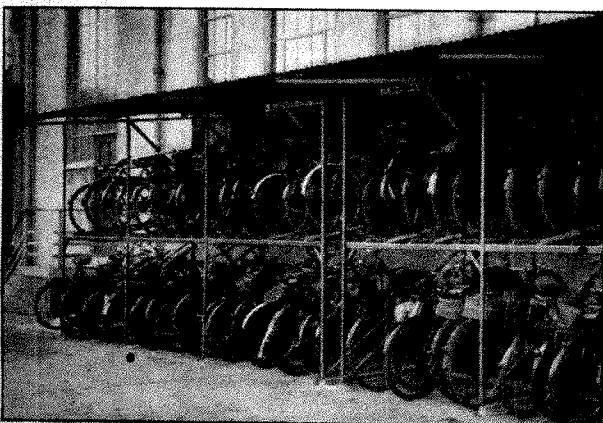
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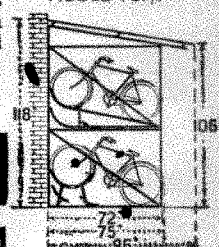
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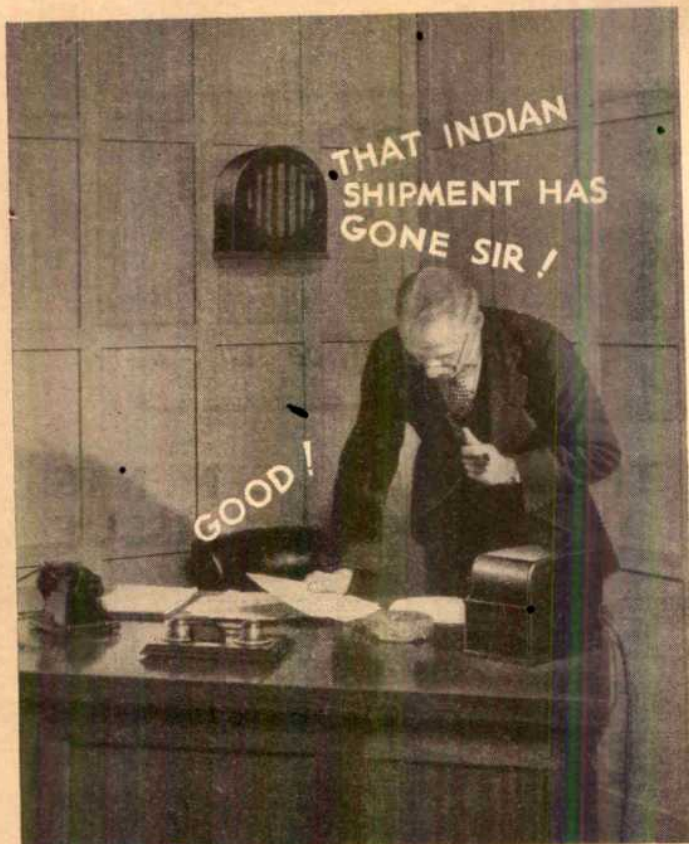
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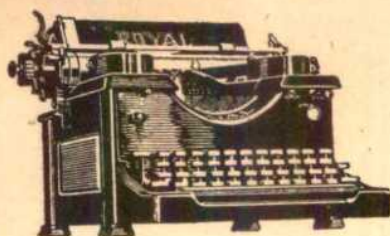
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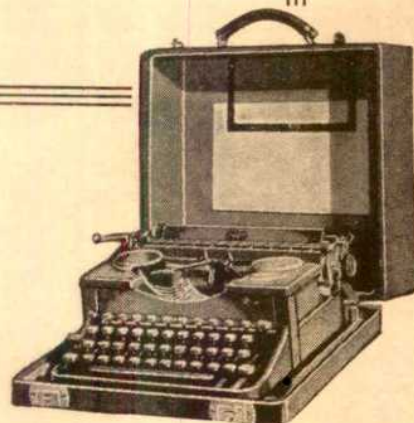
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Our Main Competitor

DOUBLED

Our Trade

From an Interview with

C. LISTER

Director: R. A. Lister & Co., Ltd., Dursley

The grid system brought benefits to many parts of the country, but its coming made manufacturers of certain types of electrical equipment very anxious. For many years there had been profitable and useful business in installing electric lighting plant in country houses, estates, farms, small industrial works, and so on, but it now appeared that the market for the individual lighting plant was gravely threatened if not doomed.

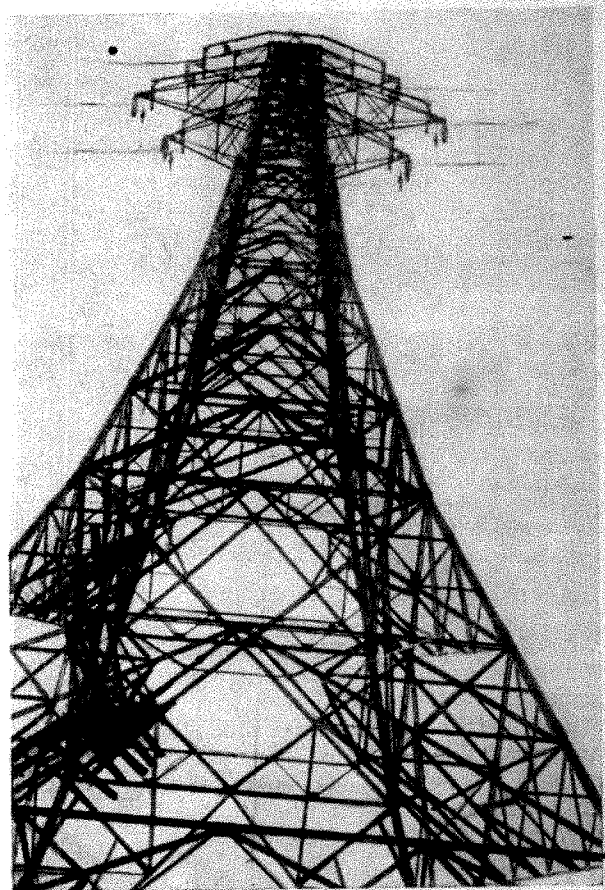
The intensive advertising and wide publicity which the grid has rightly obtained, made every country dweller acutely "electricity conscious": he thought that here was the final benison to country life—the possibility of obtaining labour-saving devices and those comforts which are associated chiefly with town life.

Consequently, he pinned much faith in the new system, and was perhaps a little surprised and injured when the new system was not infallible. A break-down, together with a prolonged "black-out" was by no means an impossibility, and moreover, there was real difficulty in getting electricity brought to outlying parts. The cheapness of

grid-brought electricity made the farmers, the country-cottage owners, the owners of small country properties expect that they would be served. The advertising and publicity accustomed them to the thought of electrical installations in the near future, but the slowness of development of the new system, and its fallibility made them wonder whether or not it was wise to rely on it.

Here, then, was the opportunity for this firm to *strengthen* its position, instead of allowing it to be severely shaken by the grid.

Listers had specialized in making small electrical installations for a number of years, and had, of course, adequate special plant for this purpose. If the firm, therefore, could get into the new market created by



Here was a manufacturer doing good trade in electric lighting sets for small users. Came the National Grid: "cheap electricity for everyone". A less imaginative manufacturer would have heard his death knell. But Listers turned the situation to their advantage—and doubled their trade

the grid advertising it should have a vast extension of business which would continue for many years.

The market was there, particularly in those parts of the country which were not served by the grid. Listers decided, therefore, to provide a product suitable for that market.

Accordingly, a small Diesel plant was designed, with the advantage that it had a stand-by in case of breakdowns of the main plant. It was designed for use in farm houses, country cottages, and the smaller country houses. Its price was fixed purely on the basis of production costs; it was not first ascertained by market survey how much people would pay for it, for it was believed that when a product is of such value to a user as an efficient electricity plant in the country, a user will pay any reasonable sum for it. Accordingly, the Lister factory made the product as efficient as possible, of the best materials, and fixed the price according to these costs.

How Advantage was Taken of Grid Publicity

It was considered that there was no need for the heavy expense of a basic advertising campaign to foster the general need for electricity in outlying areas. The publicity which had accompanied the launching of the grid system had made the country dwellers "electricity conscious", so that all the firm had to do was to announce the new product. Its selling points were obvious; it was light, small, inexpensive, and it had the additional advantage of a spare battery in case of breakdowns.

From the outset it was found that the new sets were bought extensively not only by those people who were not reached by the grid, but also by grid users who did not want to be in danger of a sudden failure of the system.

The company's distribution organization was, of course, already working. Every electrical contractor in the country is a Lister agent. There are some 7,000 of them. These agents attend to the services incidental to an installation, and to the smaller matters of upkeep. Other matters are attended to by the firm's advisory engineers, of whom more will be said in a moment.

A large demand was anticipated for these new plants, but it was not possible to forecast accurately, so no sudden additions were made to the works. At the beginning the plant was adequate for the demand made on it; the directors preferred to keep a full load on their present plant, rather than a partial load on an increased plant.

No Plant Extensions Before Actual Business Warranted

Before long, however, orders for the new Diesel installation came pouring in to an extent which proved the present plant inadequate to ensure early deliveries.

Now was the time to extend. Work on it was begun, but only to an extent to meet actual needs. There was no desire to make any unnecessary capital outlay, and though there was a constantly increasing volume of business, it was arranged to extend so that the factory and plant could just cope with the load put on it, and no more. Thus, increasing business and extending plant always marched together; there was no wastage through idle machinery or unduly increased overheads.

Another factor which the firm had to face in the production of the new apparatus was that of labour. The premises could not accommodate a largely increased staff so the management had to speed up production in some way by increasing the efficiency of its present staff. This was done by introducing an efficiency bonus, based on the final output of the whole factory. This was divided among every worker, irrespective of the kind of labour he was engaged on. The net result was a great speeding-up of production because every employee automatically became a "chaser" of every other employee.

This Bonus System Keyed Departmental Efficiency

One of the firm's basic policies is that every department must show an individual profit. The efficiency bonus, however, gave no indication of the relative worth of the various departments. Because of this the management fixed the minimum output of every department, and instituted another bonus, based on the output of every department. In this way it was at once shown that any department not earning a bonus was inefficient in some particular, so that an investigation could at once be made. This bonus is given to individual workers according to their output, so the company has, in addition to a check on the general efficiency of the department, a check on the particular efficiency of each employee.

The employees naturally like this bonus system; it gives them a personal interest in the progress of the firm. The firm's policy in all its dealings with its workers is summed up in this truism:—"The more we pay our workers the more we get ourselves."

The production department of Listers is kept in close touch with the distributors by means of the advisory engineers, mentioned earlier in this article, who are constantly travelling round the country. These advisory engineers discuss with the firm's agents any difficulties which they may have encountered, and give them all possible help. Their eyes are

constantly open to possibilities of new business and improvements in the products. Their regular reports set out their findings in detail. To a large extent these men are the eyes of the business.

Getting Up-to-the-Moment Measure of Markets

When any matter of particular interest arises, the sales director is always ready at a moment's notice to go to any part of the country to make a further personal investigation. Another director of the firm spends much of his time abroad seeking new markets, and inspecting suggested ones, deciding on the product which will probably be most acceptable in each case.

Thus, together with the reports which come in regularly from the agents, the firm has a highly sensitive barometric measure of the market. It was the activities of the advisory engineers, for instance, which first drew the firm's attention to the vast new market offered by the public for which the small plants were designed.

In essence, this body of skilled, constantly travelling engineers is a market research department, but, unlike many market research departments, it works not on the basis of figures compiled by an outsider, but on the basis of actual personal observation by men who are in the closest possible touch with conditions on the production side also.

There would normally be a danger of these men getting out of touch with actual works conditions, but this is countered by the calling of frequent conferences at the works, so that problems can be further investigated, and the production side brought into touch with the sales side so that each can better understand the other.

Flying Squad of Experts to Ensure Service

Lighting plants require occasional servicing and overhauling, and in arranging for this Listers have made a tie-up with its agents. These agents have, of course, done the initial work of installation, so it is considered only fair to them that they should have the benefit of any replacement work which comes.

It is, however, necessary to have experts at hand to do the work, and those experts are best provided directly by the firm which manufactures the products they are called in to examine. The firm has, therefore, stationed forty fully equipped service cars and men at various strategic points in the country. These men

(Continued on page 39)

SALES



AND PRODUCTION

Sales Policies

Special Orders

Advertising

Prices

Promised Deliveries

Production Policies

Research

Stocks

Costs

Deliveries

*They must
pull together*

by E. S. BYNG

Vice-Chairman and Joint Managing
Director: Standard Telephones and
Cables Ltd.

*They will make
bigger profits by under-
standing each other's
jobs*

the complete manufacturing processes, whereas the sales department is responsible for studying the market, drawing up the publicity programme, preparing sales forecasts, and guiding the production department in its designs so that orders may be obtained from the factory in adequate volume and continuity. Furthermore, the sales department acts as customers' representative until delivery of the goods is actually effected and it should follow up later with some amount of servicing.

There is often a tendency for the production department to design and manufacture to suit its own ideas or to suit the factory, rather than to meet the requirements of the customer. This is putting the cart before the horse. I cannot emphasize too strongly that the production side must be willing to be advised by the sales department, though when I say "advised by" I do not mean "over-influenced by". The sales department must not, as I am afraid it sometimes does, insist on telling the works what to do and attempt to make them do it in spite of protests.

One of the first essentials to the smooth functioning of any business is not only the proper co-ordination of the major functions but also perfect co-operation between the various departments responsible for exercising those functions. This is so elementary and undeniable that it would be carried out almost automatically in every case, were it not for the element of departmental pride.

Now, I am very far from condemning a certain amount of departmental pride; it is an excellent thing for every worker to take pride in his own work and in his own department. Such a feeling should be encouraged, but it should always be tempered by the realization that each individual worker is

essentially a part of the whole concern, and that the full value of his efforts can only be properly effective when it fits in with the operation of the company as a whole through perfect co-ordination.

In all my subsequent remarks I am assuming that the management is exercising its proper function in fostering a desire on the part of all the senior officials of the company for effective co-operation between themselves and their subordinates. Otherwise no company can possibly hope to forge ahead in the present competitive times.

For our purpose in hand at the moment I am regarding the production department as responsible for the design of the product, in addition to

It must be a fifty-fifty business; in other words co-operation, not dictation.

Given the desire to co-operate and assuming that the duties and responsibilities of these two important departments have been properly defined by the management, there is still one point for consideration if success is to be secured. *The two departments should have a working knowledge of each other's business.*

The works manager should have a better understanding than he generally has of the problems of the sales manager and the manner in which he conducts his affairs; and the same applies in a reciprocal sense. For instance, the works manager should understand the basic principles of market research, methods of distribution, the difficulties experienced in dealing with certain classes of customers, and the nature of the competition met by the sales manager. Similarly, the sales manager should be acquainted with the method of making up cost estimates, and how depreciation of tools and plant is calculated. He should also know how overhead expenses are recovered through loading rates.

The reason I suggest that the sales manager should have a more intimate knowledge of the overhead expenses is so that he may appreciate the importance of standing charges. When the sales manager is more acquainted with costing he realizes also how much money can be lost in taking orders for "specials", which many factories put out at a heavy loss—a loss which is not recognized by the production department, let alone the sales department, because of the lack of an adequate costing system. In both departments there should also be sufficient knowledge of budgetary control for those in charge to see that their work is being handled efficiently and is up to anticipation.

One Reason Why Production Companies Fail

One of my accounting friends told me recently that an examination of a year's results for certain companies in which he had been interested indicated that wherever a loss on the past 12 months' trading had been shown, the major portion was due to the fact that it had not been found possible to give the factory sufficient work to enable it to recover its standing charges.

In the majority of manufacturing companies the factory or shop expense is from 50% to 70% of the total expense of the company. This expense can be divided into two parts, namely:—

- (1) Fixed or standing charges, resulting from plant investment and sundry maintenance charges, which are necessary so long as the factory is kept open.
- (2) Charges which are more or less in proportion to the activity of the factory.

The works manager is responsible for, and the custodian of, the major portion of the investment of a company, such investment being in lands, build-

ings, machines, tools and plant of all descriptions. In addition he controls the very important item of trained personnel. The importance of the last-named item is frequently overlooked, and in very technical industries the investment in training personnel frequently approaches that of the plant.

The last and most important item of investment is that of stocks, consisting of raw material, piece parts and completed goods. In some organizations the works manager is not responsible for the investment in completed goods,

"I hate people to ask me if we have found the business boom. Booms in business are not found they are made. The management with foresight, initiative, ideas, courage and drive creates its own business boom, anytime, anywhere. Business, good or bad, is in the hands of the executive; it is what he makes it."

*Director of a Domestic
Appliance Manufacturing Concern*

such responsibility being borne either by the sales department or by a special "merchandise department".

Sales Manager's Job is to Keep Factory Active

The sales manager's chief responsibility is that of keeping the factory operating to its practical capacity, unless this is done the factory cannot obtain a return on its investment, with the result that at the end of the year a deficit will offset any gross profits that the sales manager has been able to make.

The majority of works managers feel that the sales manager would be able to secure better overall results for his company through correct appreciation of this investment problem, enabling him to direct his sales efforts along lines which would give the company the best return on the work's investment. Some sales managers imagine that, provided they can obtain orders which result in maintaining a certain number of productive operators, their task has been achieved, but after realizing the importance of works overhead costs and their distribution they will understand the works manager's problems and will follow up lines of business which are more profitable to the company as a whole.

How Junior Staff Can Also Widen their Outlook

In addition to the senior executives developing a wider outlook, the junior staff should also have some knowledge of the work in the other sections and departments in order that a harmonious and efficient working within the company may be secured. This is made possible by moving the staff from one

position to another as opportunities occur. Furthermore, the abler members of the junior staff should be encouraged to study the fundamentals of industrial administration, which will widen their knowledge of work other than their own. For the staff who are in daily contact with the public special training is required not only in selling methods but in the products they are endeavouring to sell. It is certainly a paying proposition to ensure that the salesmen are properly equipped in this respect before they go forward as the company's emissaries, thus giving them a chance of securing a well filled order book.

The three major factors of quality, price and delivery vary from one business to another, but under all conditions each one of them is susceptible of improved adjustment if the sales manager gives the production department the fullest assistance. For example, if the price is wrong, the first order may be lost, but an opportunity will probably occur to re-quote on a better basis for subsequent business. Similarly, if delivery is wrong, although the other items are right, the customer will generally raise the point and open negotiations for reducing the time. Unsatisfactory quality, however, may bring about a return of the goods and will certainly prevent repeat orders.

A reputation for high quality is obviously a most valuable asset to any concern and one that should not be lightly thrown away. Nevertheless, there may come a time when customers cannot afford to pay for high quality and are tempted to turn to a cheaper market. A true interpretation of the real meaning of "high quality" is always necessary. It means a just proportion of parts so that the article will give high-grade service for a reasonable period. It does not mean the use of gold where brass will do equally well, or $\frac{1}{4}$ inch stock where $\frac{1}{16}$ th would do equally well.

Factory and Sales Aim: Quality, Price, Delivery

The question of price should be determined by the requirements of the market. The first step is clearly for the sales department to advise production of the general requirements to which the article must be designed if it is to sell for a certain sum. Therefore, selling price determines cost, not cost the selling price. Furthermore, the costs on which the selling price must be based are not those of a particular factory but usually those of the most efficient factory. Thus a basis of competitive price is established irrespective of the local conditions, and it must be the continuous aim of the production department to improve its methods of supplying the sales department with goods at a cost in keeping with established market selling price.

I am not belittling the importance of accurate costs, I am suggesting that they must be based on competitive

• (Continued on page 46)

His way of doing things may not be yours. Nevertheless, his method may give you a NEW IDEA which you can profitably adapt to your own business

Other Men's Ideas on THIS and THAT



Management Problems:

Personnel

It is very enlightening to look at, and examine, the plan whereby a firm achieves marked success in its particular line of business. But it is risky for an executive of another business to copy that plan too exactly. The risk lies in the fact that you cannot get from another set of totally different individuals the same result that you saw successfully obtained somewhere else. That is why the most important duty of management should be the study of personnel.

★

Not Too

Much Chart

Do not pay too much homage to the elaborately planned organization chart. The chart can be made to do anything, but the same command cannot be exercised over human nature. Plan by all means, but give plenty of attention to the human men and women on the jobs.

★

On Buying

Brains

"It is easy to make cash investments in buildings and plant," said another prominent business man, "but it is much more difficult to make cash investments in brains. Yet many executives, while they will travel miles and spend weeks in examining a machine before they buy it, give not a tenth of that time or trouble to a

man before they appoint him to a responsible position in the firm. In my company we do not engage a man until we have satisfied ourselves that he is the best possible value we can purchase for our money. We regard personnel as an *investment*, not as necessary but unwanted 'overhead'."

★

I Like

"No"

"I am always pleased," says a manufacturer, "when an employee, whatever his status, flatly contradicts an opinion of

my own, *provided* he can back his opposition with what is, in his opinion, a logical reason. I would rather have one man who thinks for himself than a whole works full of 'Yes' men."

★

No

Athletics

"To stretch or twist in order to reach any of the tools of one's working equipment is a waste of time and energy. I have my desk arranged so that I never have to do either of these things. I not only work better, but I can keep my temper."

—A Managing Director.

★

Don't Fool

Yourself

Mr. Firestone, of motor tyre fame, expressed the following truth:

"When one gets his business into too many departments with heads, those heads begin to departmentalize their own departments, and just as naturally the head of a big department has to imitate the higher executive and do nothing but direct. Gradually an organization is worked up, second to none in its division of duties. It seems that a duty is never faced without dividing it, and then inevitably the men begin writing memos to one another. I know of no better way of fooling oneself than by writing inter-office memos and calling for reports. A man can keep himself busy that way all day long and completely satisfy his conscience that he is doing something worth while."

Doing Business and—UNDOING it

Just a Matter of Management

A woman wrote to head office of a domestic appliance firm for particulars of machine. Next day salesman called, with machine. Woman at first refused it, feared high pressure selling. Salesman assured her, no; use machine a week, sign nothing, no obligation, machine collected without question if not satisfactory. . . . Result, salesman called in 7 days, asked politely: "Machine all right?" User delighted, paid cash, thanked salesman and firm for excellent service.

Prospective customer wrote to a manufacturer's advertised address for sample of a horticultural product. Firm replied, saying: "Don't do business direct. Apply local agent at —." The town was 10 miles from inquirer. . . . Result, no sale, and ill-will in would-be customer's mind.

Both examples from BUSINESS postbag.

These Charts Tell the REAL STORY

By

A. J. PARKER, F.I.I.A.

Management does not want a collection of snapshot views of the business but a *panorama* of the business as a whole with the clear direction of key factors thrown up in relief.

These charts do this

The man at the top wants to see the picture as a whole, and anything which aids him to do so is a useful tool of management. These two charts give, in small compass, a variety of information useful for control.

The only purpose of charts is to present a clear-cut, easily understandable picture, which will indicate those factors needing attention—points at which to dive into detail. The selection of figures for charting which give key information will vary in detail for every different business but, in broad outline, the main feature of every business is:—

- (a) The money coming in; usually represented by sales.
- (b) The money going out; represented by production; selling and/or service costs and overhead expenses.
- (c) The profit and loss; represented by the difference between the above.

Above all, from the management point of view, what is wanted is not a collection of snapshots, but a panoramic view that shows the direction in which each of the factors of sales, production expense, and profit or loss is going, and therefore, what is the general trend of the business as a whole.

TRENDS Are What Management Wants to Know

In most businesses the desirable relationship between income and expense is in the minds of those in control. It is not a difficult thing to convert it into a budgeted objective. Just to choose figures at random we can make the production expense objective 50% of turnover, selling 25%, overheads 15% and profit 10%.

An effective control chart must show clearly what is achieved in actual results and how near those results come to the desired objective. Since it is designed to be a management control indicator, it should readily show the *trend* rather than the periodic fluctuations. For this purpose the moving annual total figures are most effective.

It has been said that the moving annual irons out the fluctuations too much. The best test of that is to look at a curve of current values which fluctuate widely and try to superimpose on it is designed to be a management where does it commence to rise, where to fall. Then work out the moving annual figures and see how near your opinion is to the facts.

The trend figures can, of course, be supported by the current figures. They can appear on the same chart providing the layout is adequately planned to avoid confusion between different curves.

At least three years' figures should be visible on the chart at the same time.

This is How the Chart is Built Up

The illustration in fig. 1 indicates the way in which the chart is built up. At the top are the curves for turnover; moving annual total to show the trend, and the monthly figures, to show the nature, place, and extent of the fluctuations. Below that are the curves for production expense.

If the plan is to try to limit production expense to 50% of turnover, the turnover-moving annual curve can be dotted in at 50% of its value as a check line. The same procedure is followed with the other divisions—selling expense, overheads, and profit.

Combined in one chart, then, is the current and trend information regarding each of the group of items, a comparison of the actual results with the desired objective, a comparison of the way in which each group has developed and is likely to progress, and a comparison with the past two years or longer if thought desirable.

Another way of obtaining the comparison between actual results and plan, is to reproduce the turnover-moving annual curve on a piece of thin celluloid or similar transparent material and use it in place of the dotted-in check line. Where curves come close together this method avoids confusing the chart.

For ease of charting and comparison a semi-log paper (2 cycles) is very useful. Almost everyone knows that the

reason for using semi-log paper is that it puts figures into their correct percentage relationship, or, to put it another way, lines which rise at the same angle have the same percentage rate of increase wherever they may be in the value scale, but there is an equally great value in having standardized rulings. The ready use of charts demands an instant appreciation of the scale upon which they are drawn. The use of a standard semi-log paper—there are, of course, many kinds of rulings—gradually fixes in the mind the significance of the scale, so that an entirely new chart of hitherto unrecorded information at once gives its message.

Another type of "whole story" chart is that illustrated in fig. 2. The advantage of this type is that the number of separate factors which can be included in one chart is considerably increased. The disadvantage is that it requires more careful study to read.

The divisions shown in the illustration are just broad groups.

- (1) Raw material.
- (2) Labour.
- (3) Oncost.
- (4) Sales Expense.
- (5) Overheads.

They can be further subdivided, the only effect being more lines on the chart.

The figures to be charted are obtained by plotting the Raw Material figure, adding Labour to it and plotting the resulting figures, and so on successively through the list.

Various indicator lines can be added to facilitate reading. For example, Raw Material, Labour and Oncost together represent the production expense. If a budget of turnover percentage has been fixed, as suggested above, it can be plotted on in a different colour at the 50% turnover value or whatever percentage it happens to be. It is probably better, however, not to confuse the eye with too many lines, and to adopt instead the celluloid template. Then, too, the bands formed by the different lines can be coloured or hatched to make their relationship stand out more clearly.

The Turnover Curve can be added as a heavy line in its correct position. The distance it is above all the other curves represents profit and the extent to which the other curves rise above it represents loss.

In this case the current figures are charted. As it is built up by adding the successive items to each other, it would produce quite false curves if the moving annual values were used.

of Your Business

The information this chart gives is the monthly (or other period) movements of each type of outgoing in relation to the others, the proportion of each to the total outgoings which is shown by the bands between the lines, the comparison of the total outgoings with the turnover, and as a result, the profit and loss movements.

Here is the Key to Various Expense Items

Looking down any of the monthly column lines it is easy to pick up the effect of each kind of expense upon the whole. It is usually clear when some special expense takes an exceptional bite out of revenue, or when some exceptional effort reduces expense in one or other of the departments. The bands between the lines are instructive of the way in which the different kinds of expense develop month by month. The illustration, for example, shows quite clearly that a big sales effort has successfully pushed up the turnover, but it has been by cutting heavily on overheads that a profit position has been reached. The area between the labour and the oncost lines shows that oncosts have been increasing although there is a marked improvement towards the latter end of the period. When the different kinds of expense are further subdivided, it will be clear that the utility of the chart is very considerably increased.

For the sake of simplicity the illustrations show only the curves and not the figures. • Either at the top or the bottom of every chart form there should be columns for the figures which the curves represent. It facilitates reference and is particularly necessary where semi-log paper is used because the only marking on the paper is the single figure log scale.

'Whole Picture' Charts Aided by Departmental Charts

This cumulative type of chart can also be used very effectively where monthly Balance Sheets are prepared, as is now often the case. A Charted Balance Sheet tells its story much more quickly and shouts its warning much more effectively than columns of figures can do. True, when the warning has been seen on the chart, it is to the figures that we turn for more detailed information, but that only gives more point to the purpose of the chart.

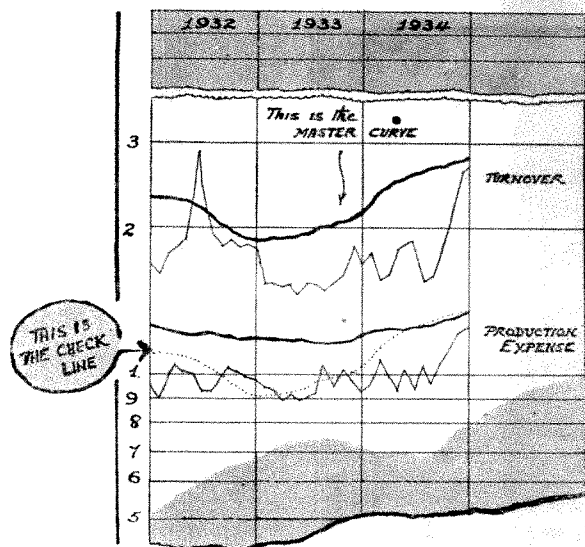
A set of trend curves and monthly Balance Sheet charts will give all the information necessary to general control. The more support they have in

the way of more detailed departmental charts, the better. For example, the Turnover curve is a complete story for the whole business. When it comes to planning sales, it is necessary to know how that turnover curve is made up. Which products or groups of products

to the point of preparing charts science can play a large part. What is to be done as a result of the information which they yield, is something that is not taught in schools or colleges, and is carefully avoided in all treatises on management. The creative, constructive part of management is just success for those who have it, failure for those who have not—and there we will leave it.

The eternal struggle to keep income up and expenses down might be said to be everybody's business. Many companies now find that it pays to make it the particular business of one executive. As Operating Manager his function is to keep an eye on results and plans.

(Continued on page 44).

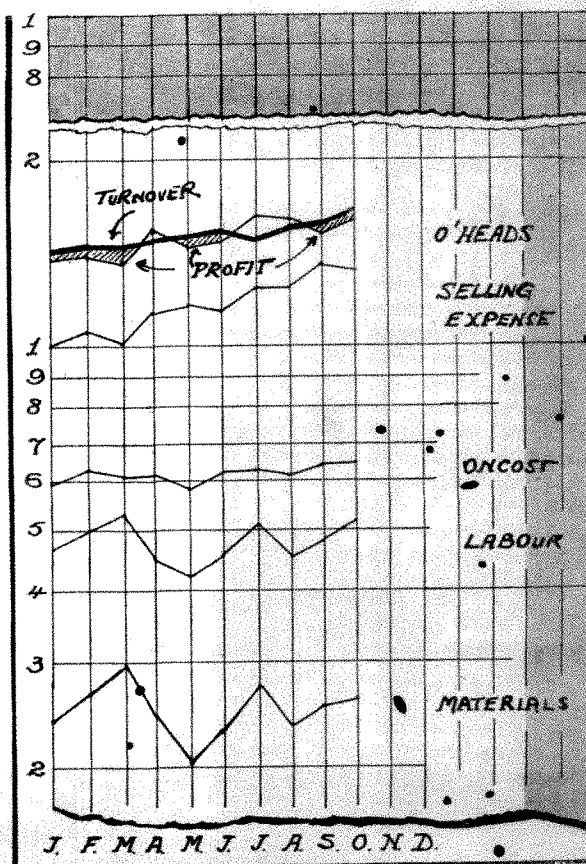


TOP Fig. I

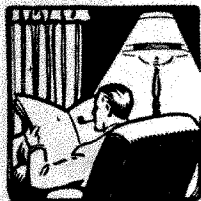
BELOW Fig. II

are on the increase and which are decreasing. It is in making up sales forecasts—the basis for production and stock plans—that trend curves are of the greatest help. The cleverest forecast is but a very good guess, since we none of us can yet control the future. There is, however, every good reason why the guess should be supported with as much evidence as can be gathered. Providing the moving annual total figures are based on reliable records and carefully charted, the projection of the trend curve into the period to be planned gives a very good starting figure.

It would be absurd to claim too much for forecasting or for any other scientific aid to management. It would be equally absurd to neglect such help as these practices offer to what is still much more an art—a very elusive art—than a science. Up



THE BROADER VIEW



By
• ROBERT
R. UPDEGRAFF

Analyse Every Situation

Every business situation is a mixture of favourable and unfavourable factors. When the situation is "good" there are relatively few unfavourable factors; and when the situation is "difficult" it is because most of the factors appear to be unfavourable.

The interesting part is that if there were no unfavourable factors, there would be no "situation" at all. When you come right down to it, the difficult situations are what make our jobs. Without them *anybody* could do our work.

But that is aside from the point I started to make. The really intelligent and efficient business man "sizes up" each situation in his mind, marshalling the favourable factors and then the unfavourable ones. This shows him at once that no matter how many unfavourable factors there may be, there are at least *some* favourable ones. And he starts with these favourable factors as a foundation.

Whether he plans to make a frontal attack on the unfavourable factors, or to work around behind them and undermine their unfavourableness, it makes little difference. He knows that his problem is not necessarily to right *all* of the unfavourable factors, but that if he can change enough of them to the favourable column, the rest will be overbalanced or eliminated almost automatically, and the situation will resolve itself to his benefit. And that without a lot of stew and worry.

Not Too Far Ahead

Few logically worked-out long-range plans for a business or industry result profitably. Either they cost more than they are worth, or they get so complex that they are all plan and no progress.

Unless plans are put into effect at once, in such fashion as is possible, and broadened as they go along and prove

workable and worth while, they seldom lead to profits or progress.

The reason is that conditions change, markets change, people's tastes and needs and wants change. Business is a *current* problem, and can be planned only a comparatively short period ahead.

This does not mean that business men should not study long-range trends and changes; they must, if they are to shape sound policies. But it is my observation that unless the long-range planning is put into effect immediately, in little ways and big, it never amounts to much.

Read a Report Three Times

I am firmly convinced that the reason men do not make more intelligent decisions, and master situations more effectually, is that they do not *digest* their problems, and the facts and figures connected with them.

A report or recommendation is received, a long letter with a proposal of importance, or a statement of condition. The average man reads it through once, then perhaps skims it a second time, and proceeds to form his judgment, or dictate a letter or memorandum of instruction. Actually, in five instances out of six, he has not assimilated the problem.

A man might well make it a standing rule never to commit himself on any important report or recommendation or communication without first reading it

through carefully *three times*. Preferably, he should read it twice, and then lay it aside for a few hours at least before its third reading. The first reading merely gives a general impression, not nearly so clear as one would suppose. The second careful reading begins to clarify the details. The third reading is as revealing as an X-ray photograph. It is as though one could look right through the problem or project or recommendation, see what is important, observe the bad spots, and even clearly visualize the sound solution or course of action. Indeed, many really complex problems solve themselves if this process is followed.

Try it on that letter that is difficult to answer, that recommendation from a subordinate, that report of an unfavourable situation. There is magic in it.

Smile and Insist

Almost unbelievable results can be obtained by the business man who writes out a specification for some desirable objective, and then *insists* that it be attained. He will encounter objections from his associates; he will run into the opposition of technicians, junior executives and salesmen; he may be considered an unreasonable tyrant. But if his original specification is properly drawn, it will pay him just to smile good-naturedly—and insist that it be carried out. Eventually, as it becomes evident that he means what he says, methods will be devised, objections will be overcome or avoided, and the original objective will be attained.

On your next big problem write out a specification. Then follow this simple formula: "Smile and insist".

All Businesses Are Alike

To a surprising extent all businesses are alike. Problems of production, selling, improving products (or services), meeting competition, training employees, educating the public—these are universal. The reason it is not more commonly recognized is that each business man becomes immersed in the particular details of his own enterprise, and so fails to see the essential similarity to the problems of other men in other lines of enterprise.

There is a whole world of ideas and information available to most of us, but we ignore much of it in the mistaken idea that our own problems are "different". Actually, we may not be able to *adopt* the other man's ideas or methods or solutions; but we can *adapt* many of them.

It is the function of "BUSINESS" to make successful plans and ideas developed by the management of one business available to the management of another: a constant exchange of profitable accomplishments, so that these "adaptations" can be made. Read and considered with this basic idea in mind, "BUSINESS" provides a service far and away more valuable than the price of the modest subscription at which it is sold.

How's Business for the AUTUMN?

Four Well Defined POINTERS

The autumn season has opened with four very well-defined trends:

Business continues good in Great Britain, but the rate of improvement over last year has slowed down. . . . Empire trade continues consistently to improve. . . . The financial crisis in Germany, the set-back in the U.S.A., and uncertain political conditions on the Continent are preventing any current betterment in general world trade. . . . The South American countries are, however, showing indications of betterment. The "sterling area" countries on the Continent have shown no change during the summer season.

The question therefore is: Does the continued improvement in British and Empire trade more than offset the continued depression in the principal international market?

The answer is: Yes.

Key Figures Continue To Improve

For nearly two years now month by month British trade indices have shown marked improvement over the preceding year and even over the preceding month. It cannot be expected that this should continue indefinitely, for then the improvement would soon reach boom proportions which has never been anticipated. Now the last three months, while the monthly figures have consistently topped the same month of a year ago, they have not registered advances in every case from one month to the next; and the increases over a year ago have at times been smaller from month to month. This is what we mean when we say that the *rate of acceleration* is slowing down.

But this cannot have been unanticipated. During the whole of the last winter's season trade was looked upon as being good because it showed such marked improvement over the year before. And if trade is still as good as it was six months ago, why should it be called anything but good now if it even maintains that level; yet, as a matter of fact, there has been on balance improvement month by month in the last six months. In fact, the figures over the last three months do not

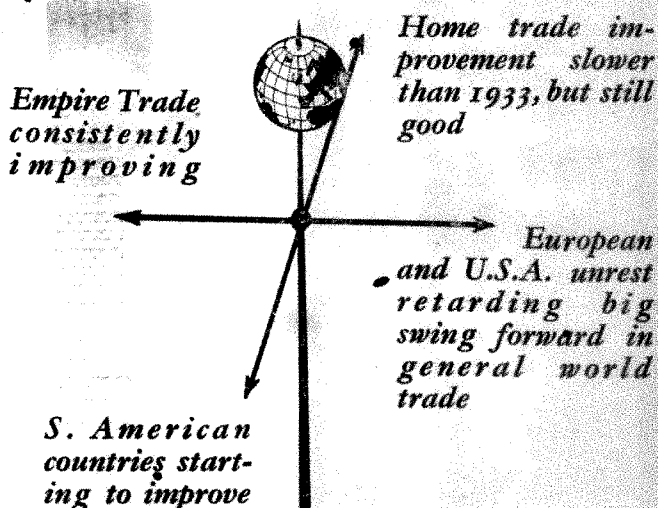
indicate a halt, but rather proved the fact that the 1933 summer, being virtually at the beginning of the upward swing, did not experience the normal holiday slackness.

We must not become so accustomed to increases that when the increases stop we at once consider business is falling off. So long as business maintains itself, or, at any rate, shows that small percentage of increase which growth and population and normal expansion calls for, we have no grounds for pessimism or hesitation. And we are still a long way off from even that: for month to month increases still more than balance any item of decrease; and we believe that the 1934-35 season will continue to show increases over a year ago.

Employment Position Is Better

The number of employed was actually higher by 34,000 in August than the month before. It is true that the number of unemployed was 10,000 greater than the month before, but this was principally due to the children leaving school poured in on the labour market. The number of unemployed is 275,000 less than a year ago and 700,000 less than two years ago; and the number of persons in employment is 376,000 more than a year ago, and 927,000 more than two years ago.

Compared with a year ago every trade shows a substantial decrease in unemployment except shoes and woollens, the latter having been very adversely influenced by the virtual cessation of German imports and the slowing down of French and Belgium imports. Compared with a month ago there was a large decrease in unemployment in coal, jute and building, and small decreases in shipbuilding, shipping services and the woollen industry. Increased unemployment has come in those trades subject to seasonal inactivity. In the coming months there may be slowing down in building employment due to



Question: Does continued advance in Home and Empire trades more than offset the drag of unsettled international markets?

Answer: YES

the oncoming winter season; this should be offset by increased employment in general industry and in coal-mining. So the unemployment situation is not at all discouraging.

Imports and Exports Both Favourable

That August exports should have been slightly higher than a year ago, considering the decreased exports to Germany and the U.S.A., is again encouraging. It was to be expected that exports during the dull August would be slightly under July. Imports were two million higher than a month ago, nearly three and a half million higher than a year ago; again raw materials showed the larger proportionate increase, a favourable factor. Altogether during the eight months of this calendar year exports are 8% higher than a year ago, imports 12.4% higher. The shipping figures also reflect an improvement in the foreign trade situation: the freight index is more than 9% above the month before, 14% above a year ago; and both inward and outward clearances were higher than last year.

When it is considered that Germany is decreasing her imports, that the U.S.A. is taking less goods, and what may be called all neutral countries (that is, non-Empire and non-trade-agreement countries) are maintaining their restrictions and holding down their imports, our improved figures testify to the steady increase of trade with Empire and sterling-area countries.

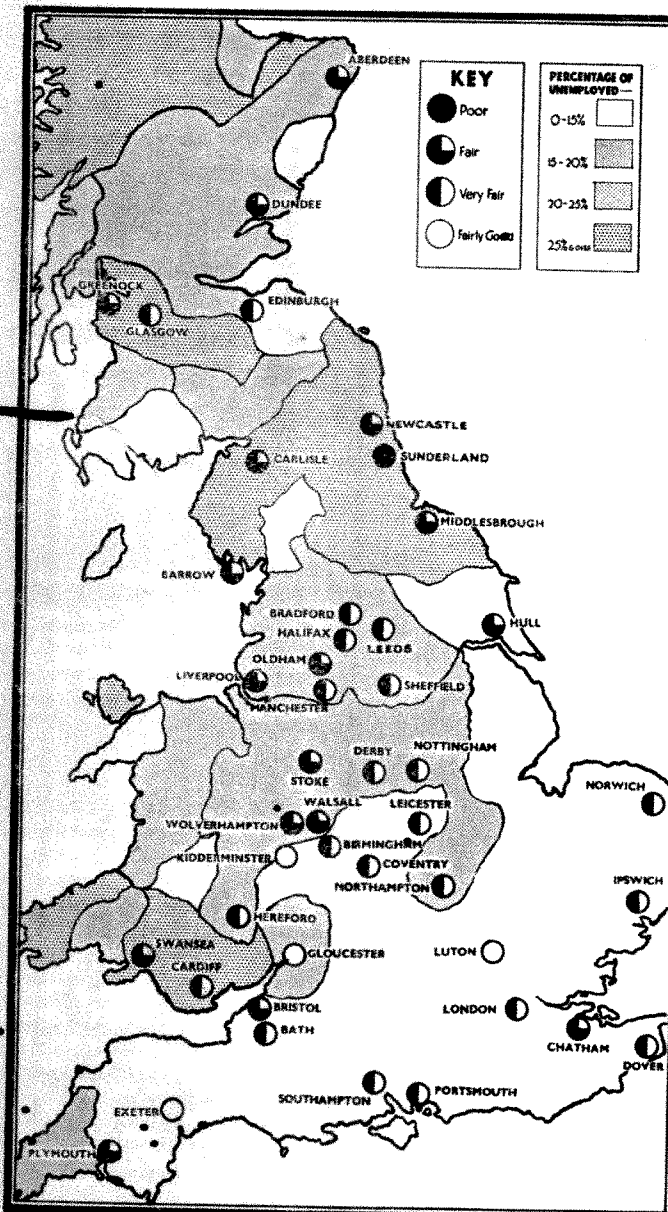
Home Trade Position Is Good

Internally, August makes a good showing. Retail sales are up by 4.8% on a year ago. Rail traffics are up on a year ago. Electricity output maintains its increase of 14%. Bank turnover over the whole country is down somewhat,

but provincial bank clearings are almost the same as a year ago.

It is looked upon as a favourable factor that wholesale prices are 1.5% up on a month ago, and 3% up on a year ago. This is, however, partly due to the slight decrease in the gold value of the pound, for world prices in terms of gold are down.

HERE IS THE SITUATION THIS MONTH



London District: All the indices point to a fairly good autumn. Retail sales are up again, and unemployment in the Metropolitan area is low. There is plenty of evidence of business activity. The slight fall in the value of the pound makes the overseas trade position rather less reassuring, but that is more than balanced by the good position of the Empire.

E. & S.E. Districts: The yield of wheat from the harvest is expected to be above the 10 years' average, but root crops will probably fall below average. Unemployment is falling again, though in the towns there is a slight rise, indicating that the few industries in the locality are quiet.

Midlands: Although the unemployment situation is not quite so good as it was, there is a distinct improvement in the iron and steel trade, and the general tone is optimistic. Engineering conditions are fairly satisfactory, and the motor manufacturers are busy producing next year's models. A large volume of business is confidently expected. Some uncertainty as regards raw material prices is felt in the hardware trade, but increased export trade is reported, and prospects are good.

W. & S.W. Districts: The export of coal appears to be almost at a standstill, and home demand is not large enough to compensate for the loss. Still, the increase in unemployment is very small, and the dullness in the coal trade is set off by the activity of the tin-plate trade, which is working at 65% capacity and selling 82% of its output.

N.E. Districts: There is a better demand for coal, and home consumption of industrial fuel is rising with the general trade improvement. Iron and steel show a fairly good condition, though Continental competition is being felt. There is greater activity in the woollen and worsted trades, and unemployment is down both on the month and on the year.

N.W. Districts: The cotton trade is quiet, but engineering is fairly good. Marine engineers on the Clyde are at the peak of employment, and most of them have sufficient work to keep them well engaged during the autumn and winter. Shipbuilders also are fairly well occupied, but there is still room for vast improvement in the unemployment position.

And it should be pointed out that even within the United Kingdom this higher price level is virtually all in food prices due to the restrictions on food imports and increased home production.

The cost of living is up by 2 points on a year ago and 1 point on a month ago. The people who are shocked by this are the very people who urged that a raising of the price level would bring back prosperity. Yet they do not seem to be able to think the mere single step further: that a rise in the price level must bring a rise in the cost of living. Anyway, what is a rise of 2 points in the cost of living in a year compared with the drop of 29 points which has taken place over the last ten or twelve years?

According to the latest figures, new capital issues in July were higher by 16% than the previous month, and more than double those of July, 1933. The effect should be visible in the autumn production figures.

Basic Industries Better On Balance

Coal output last month was most significantly above a year ago by 1,200,000 tons or 14%. Iron and steel output for last month naturally showed a small seasonal decline over the preceding month; but, even so, the consumption of coal and iron showed an increase over the month before.

The activity of the cotton industry is apparently lower than a year ago because the latest figures of consumption of cotton show a decrease of 10% over a year ago. Rayon production is up by 8%. Woollen activity was greater in August than July.

These Queries Govern Future Trend

The four vital queries as to the coming season's trade are:

1. Will the building boom continue?

For as long as building goes on and the present rate of building employment does not at any rate decrease, British business is not likely to show a recession.

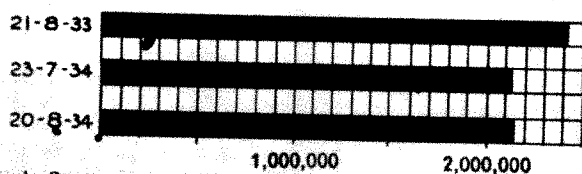
There was a slight set-back in building employment during July, probably due to the weather; there was a more than corresponding increase, however, in August. House-building is now dependent almost entirely upon the speculative builder. There must come some time a slowing down in this field, and the decrease in the volume of building plans approved would seem to indicate so.

But factory building has shown a very large increase in the last two months. The Government and Municipalities' slum clearance programmes will keep the industry active. And finally, the decision of the Ministry of Transport to finance large improvement schemes from the road fund and to proceed with new bridges and by-pass roads, to the tune of £10,000,000, will mean additional employment.

2. Will our general manufacturing activity increase? Considering the

UNEMPLOYMENT - DOWN

Number of Insured Persons Unemployed



Each Square = 100,000

present activity and prospects in coal, iron and steel, rayon, motor and other key industries, the prospects are that it will. We have figures of industrial activity only up to the quarter ending June, but every quarter for the last six quarters has shown an increase over the previous year, and over the previous quarter.

3. *Will unemployment decrease?* Considering the current situation and the season's forecast, the strong prospect is that unemployment will decrease.

4. *Will exports increase?* In spite of the prospective decrease to U.S.A., Germany and some other Continental countries, here again the steady increase in exports to Empire and trade-agreement countries has proved so consistent and strong, the prospects continue so favourable, that a continued slow but steady increase can be anticipated.

Position Overseas Is Doubtful

The unfavourable trend of the U.S.A. business conditions continues.

Has perhaps the downward curve of Germany's conditions reached the lowest point—is her exchange rigidity easing a bit—or is there an actual crash coming there? This depends so much more on political conditions than on business conditions that we cannot prophesy.

Russia ought to import slightly more rather than less, although her 1934 imports from Britain to date are far behind her recent trade-agreement quota of 17 of Russian exports to us against 10 of our exports to Russia; the ratio is, in fact, 2.95 to 1 against 2.44 last year.

France is balancing her budget, and while she still has a hard road to go and must face further financial readjustments, given political tranquillity she may soon no longer be an unfavourable factor; but here there is always the possible danger of a devaluation of the franc—not so long as the present government remains in power.

Increased trade restrictions in some countries such as Holland and Turkey are offset by improvements in other countries such as Austria, Hungary and Holland.

In South America, the Argentine and Brazil are showing definite signs of greater financial stability and commercial improvement.

There is no break anywhere in the Empire in the upward trend. Canada is benefiting from higher wheat prices, the gold boom, and general trade expansion; Australia's wool is not so favourable, but she, too, is sharing in the gold boom; South Africa is going ahead on the gold wave. The tea and rubber planters of the East are benefiting by the increased prices.

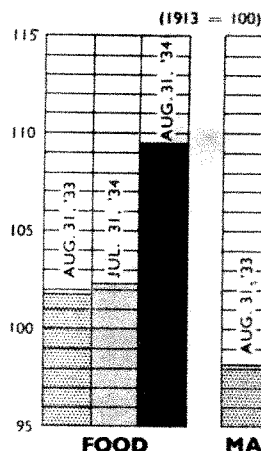
A Final Balance Is Satisfactory

Taking a final assessment of all these factors, we are bound to say that although the rate of acceleration has

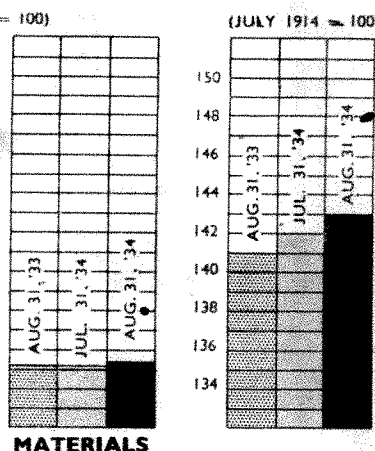
slowed down, it is by no means stopped. European and U.S.A. conditions retard the world up-turn, but the Empire prosperity more than offsets this drag. The seasonal prospects of the basic

home industries suggest that the improvement will continue through the autumn until Christmas; at present we dare not prophesy concerning next year.

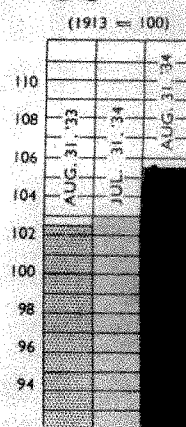
COMMODITY PRICES— UP



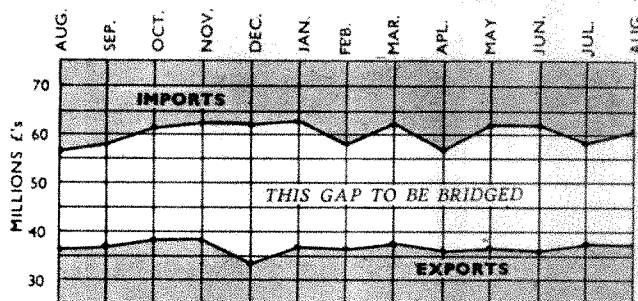
COST OF LIVING— UP



WHOLESALE PRICES— UP

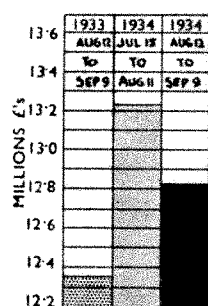


EXPORTS—UP

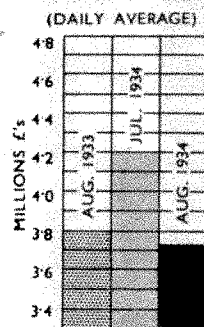


IMPORTS—UP

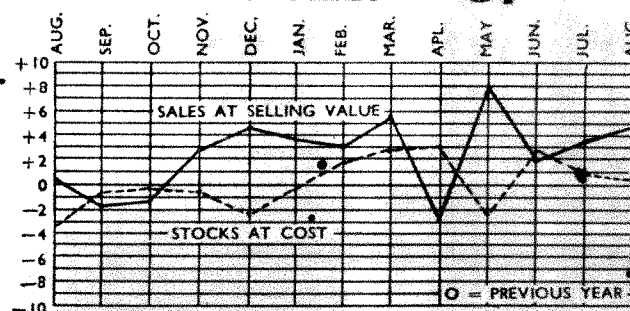
RAILWAY TRAFFICS—UP



PROV. BANK CLEARINGS—DOWN



RETAIL SALES—UP



50,000 New Accounts for this CIGARETTE FIRM

25%

Distribution Raised to

87%

Godfrey Phillips thought they had adequate distribution for their De Reszke Minor Cigarettes in the popular price market

By A. W. BENSON

Governing Director
Benson & Co.

An intensive market survey by a new service startlingly proved the contrary. This article shows how the new service went to work

The basic factor in securing nationwide distribution of a product is thorough investigation of the market. Having made this, the next factor equally important with the first, is the organization of an adequate distribution system. Many firms spend fortunes in advertising a product, but although the results are good, they are not always the best possible, because of the tendency of some sales-managers to assume that, when a product has been widely advertised, retailers will clamour to stock it. Some of the more progressive retailers do; but many retailers are timorous of adding new lines; they are content with established ones already displayed in their windows; they are not moved until sheer weight of national advertising creates a consumer demand that it cannot be ignored. Indeed, it is a real tribute to the worth of British advertising that new lines are ever stocked at all. Nationally advertised goods have, therefore, to be sold to the retailer, as well as advertised for him.

Random tests of the markets convinced me that in many nationally advertised lines, the distribution was hopelessly inadequate, and that if some way could be found of securing complete distribution and testing the market at the same time, a profitable business could be built up by offering our services to the sales organizations of national advertisers.

Complete Markets Reflected in This Catalogue

Since there were more retailers in grocery, confectionery, tobacco, and chemist and druggists trades, than in any others, we concentrated on these four. (At the moment we are about to add to our list the radio trade, for the number of retailers in this field is large enough to make our efforts worth while.) By a piece of the most thorough market research possible, we obtained a catalogue of the names and addresses of every retailer, great and small in these four trades, in the country. This was classified according to districts, and when the catalogue was complete we had a perfect picture of market possibilities in these four fields.

At this time, a famous firm of cigarette manufacturers had recently launched a new popular price cigarette. Their national advertising had been done efficiently and well, and with the knowledge of the market which they

possessed, their distribution was doubtless thorough and efficient. Nevertheless, we decided to make a private test of our own.

From our master-catalogue, we took 1,000 names at random, and found out how many of the people here represented stocked the cigarettes. The survey showed the astonishingly low total of only 250 stockists out of the thousand possible ones!

Nearly 11,000 New Stockists in One Area

This was pointed out to the firm in question, and our prospective clients suggested that we should make another sample survey of any area in the country, and persuade as many as possible of the retailers to stock the goods. The area selected was Manchester, for that area with its population of about 1,250,000 was typical of the thickly-populated districts to which cigarettes appeal. Here we found that the distribution was less than 24%, and our sales efforts added 10,800 new retail stockists, as well as a number of wholesalers, to the firm's accounts.

With these additional facts before them the cigarette manufacturers instructed us to cover the whole country.

As we mentioned before, our catalogue is classified according to localities. The country was divided into districts, all of which were to be worked at the same time. This involved the employment of about 170 men.

The procedure in each district is as follows. Five men are assigned to a district and they are under the command of a supervisor, who has a list of the calls to be made each day.

Salesmen in Dungarees

A shop in a manufacturing town was holding a sale of engineers' dungaree suits. The salesmen in the shop were themselves each wearing a suit. A good idea; it made a lot of local sales.

Usually, the number of calls per man is forty.

Each man is given an order-book, and a daily report-sheet on which he enters particulars of every call immediately he has made it. The sheets and the order-book are contained in a small wooden case which bears on the outside a small local map showing the area which the man has to cover that day. When he has finished calling off all the possible stockists on one street, he blocks out in pencil that portion of the map so that the supervisor can see at a glance what part of the district has been covered.

How Supervisors Check up The Canvassers

Three times during the day, at a pre-arranged time and place, the supervisor meets each man and takes the report-sheet. By glancing down the last column of the sheet, he can see which retailers have not been induced to stock the goods which we have in hand, and he goes back over the ground just covered by the salesman, and tries to sell the retailer again. Frequently he succeeds. The salesmen try also to induce the retailers to arrange for special displays, and show materials, which we provide from the head office, but these are naturally not so important as the actual opening of new accounts.

Each evening, the supervisor posts to head office all the orders which have been received that day, together with the daily report-sheets of all five salesmen.

These reports enable us to make up our statistics, so that we have a daily record of the progress of the sales campaign.

Naturally, it sometimes happens that a salesman grows stale, and his work is not up to the standard required, so that he has an excessive number of no-

(Continued on page 21)



Shadow and Substance

Accountants.

Advertising Agents.

Athletic Clubs.

Auctioneers, etc.

Bakers.

Billposting Agents.

Boot and Shoe

Trade.

Brewers.

Building Contractors (Builders and Decorators).

Builders' Merchants.

Building Societies.

Coal Trade.

Co-operative Societies.

Cotton Brokers and Merchants.

Cotton Dyers and Finisiers.

Cotton Goods Manufacturers.

Cotton Manufacturers.

Cotton Spinners.

Cotton Yarn Agents, etc.

Credit Traders.

Dairymen.

Dentists.

Doctors.

Electrical Trade.

Electricity Undertakings.

Engineers (General).

Friendly Societies.

"Kalamazoo will hitch its wagon to a star! It will make loose-leaf equipment—nothing else; and it will make it as near to perfection as British design and workmanship can come."

This, its resolve of 28 years ago and its resolve to-day, has established Kalamazoo as the standard by which loose-leaf quality is measured the world over.

Specialists, therefore pioneers: In blazing the trail—searching, experimenting, testing—Kalamazoo have so far spent a great many

thousands of pounds. (The Kalamazoo Paper-testing Laboratory is the finest in the country).

Following on the trail is Imitation—the *Shadow*. He doesn't hurt Kalamazoo, but he does hurt those who buy his lower-priced wares to find them a daily and increasing irritation, dear indeed in the end.

For durability—reliability—satisfaction; for the pleasure of using a good thing; for definite economy in the long run—Kalamazoo, the *Substance*.

Gas Undertakings.

Golf Clubs.

Haulage and Transport Contractors.

Hotel Proprietors.

House Furnishers.

Insurance Brokers.

Jewellers.

Laundries.

Millers, Corn, etc., Merchants.

Motor Coach Proprietors.

Motor Trade.

Public Authorities (Rates Dept.).

Quarry Owners.

Schools and Colleges.

Solicitors.

Stock Brokers.

Stock Jobbers.

Timber Merchants.

Twof Accountants.

Undertakers.

Veterinary Surgeons.

Water Undertakings.

Wine and Spirit Merchants.

Woolen Trade.

General Purposes (showing 128 rulings for

Ledgers, Cash

Book, Journal, etc., in general use).

Two substantial Economies!

1. THE NEW BINDER. The binder Modern Business wants—incredibly low price and practically indestructible—has been produced by abandoning the book-binder's conventional design for that of the engineer and employing a wonderful new alloy, strong as steel, yet one-third lighter than aluminium.

THE NEW STOCK SHEETS. Over 1,000 "special" rulings have been transferred to the stock sheet list with consequent lower prices and despatch in three days. These rulings cover all general accounting purposes and hundreds of special purposes in 30 trades and professions (see lists down sides).

Why not enquire about these two economies?

Kalamazoo Ltd

(Proprietors Morland & Impey, Ltd.)

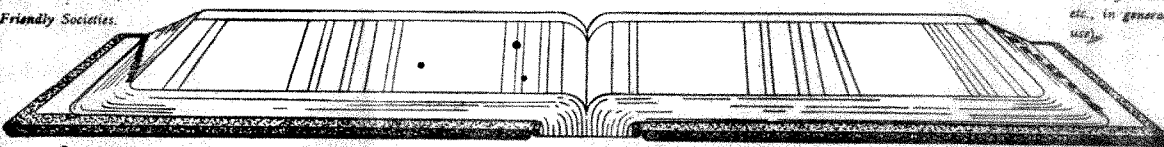
Head Office and Factory:

NORTHFIELD, BIRMINGHAM.

London Offices: SHELL-MEX HOUSE, W.C.2

Branches in all leading Provincial Cities

GO/S/123



WE INVITE YOU to visit Stand No. 48 at the Business Efficiency Exhibition, Free Trade Hall, Manchester. Oct. 1-6.

SIEMENS

"NEOPHONE"



SIEMENS "NEOPHONE" standardized by the G.P.O.

PRIVATE TELEPHONE SYSTEM

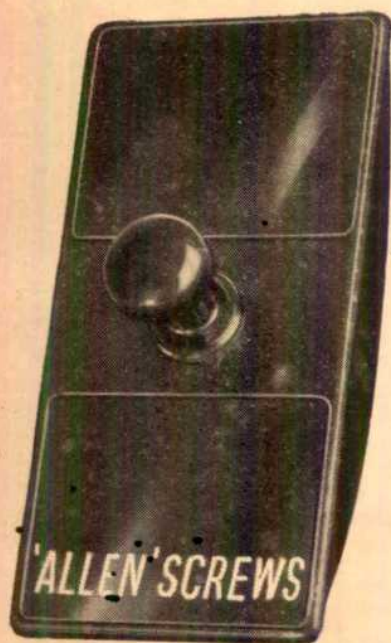
*Always at your
Service*

MOST
EFFICIENT
ECONOMICAL
&
RELIABLE

SEE OUR EXHIBIT AT THE BUILDING
CENTRE, 158 NEW BOND STREET, W.1

For Sale outright or on Rental

WRITE TO
RELAY AUTOMATIC TELEPHONE SECTION
SIEMENS BROTHERS & CO. LTD.
38-39 UPPER THAMES ST. LONDON E.C.4. Phone: CENTRAL 2332



Keep your
name be-
fore your
customers

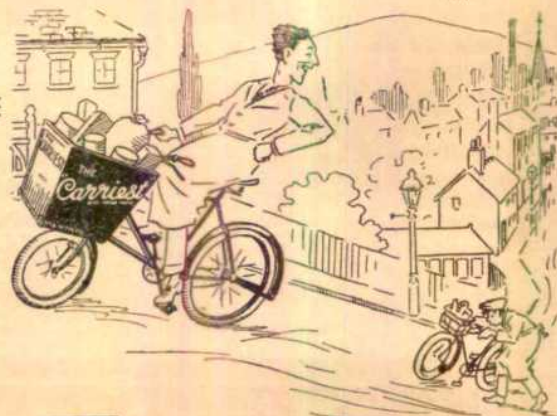
How can you keep your customers' attention concentrated on your business? Easily and comparatively cheaply, by sending them well-made bakelite desk accessories—such as blotters—with your name, address and business clearly worked in a prominent place. Let Insulators Ltd. quote you—there is hardly a limit to what they can do.

Insulators Ltd

Derby Road Works,
Montague Road,
Edmonton : London
N.18
Phone :
Tottenham 4256 - 7 - 8

THE "CARRIEST" CARRIER CYCLE

- Has revolutionized cycle transport.
- Carries 3 times the load of an ordinary carrier cycle
- Is safer to ride — easier to balance — easier to start
- Is specially designed for the carriage of goods — not adapted for the purpose



WRITE FOR DETAILS
THE "CARRIEST" CARRIER CYCLE CO.
7 TUDOR STREET, LONDON, E.C.4

sale reports on his daily sheet. On these occasions the supervisor goes round with him on a number of calls, and helps the man to brush up his technique. From the daily return sheets, we can tell here at the head office when this procedure should have been followed.

As a check on the activities of the supervisors, each salesman is required to send to us his time-sheet which shows the particulars of his activities, his contacts with the supervisor, and the times of beginning and of ending his work each day.

Thus the daily record-sheet checks the salesmen, and this time-sheet checks the supervisor, and here at the head office we are able to maintain central control of the whole organization.

These records show us what the men were doing yesterday, and in order to keep track of what they are doing to-day, the supervisor sends, together with his other materials, a daily route-list, showing the calls which are to be made on the next day. Thus, we know here exactly where any salesman or any supervisor should be at any given time during the day.

The whole of this organization is built with the idea of making daily increases

in the outlets for trade. We must be able to tell, day by day, exactly what the increases have been, and to stop any falling off which may appear to be threatening. This necessity explains the several records which we demand from our men. Our picture of the sales distribution and the possibilities of increasing it must be up-to-date, and the method outlined above is the one we have adopted to get it. Some idea of the value of this sort of sales organization can be gained from the final result of this cigarette campaign, which resulted in an increase of more than 50,000 in the number of retail outlets on the books of the manufacturers.

ARE YOU 'IN' OR 'OUT'?

The other day I called on the managing director of a medium sized firm.

Lunch time arrived and he suggested we should go out. Before leaving his office he clicked an electric switch on his desk. After lunch, when we returned,

the first thing he did was again to click the electric switch. I asked what the contrivance was as, so far as I could judge, it made no signal, no one came in.

"That," he explained, "is my 'in' and 'out' signal to the operator on the telephone switchboard. Come and see it." We visited the switchboard. In front of the girl was a vertical panel. On it there were the names of the six chief men of the company, with a small red electric bulb opposite each.

"It is the strict duty," my informant told me, "of every executive to switch 'in' and 'out' whenever he enters or leaves the building. In this way the switchboard operator, taking incoming calls, can reply at once to an enquirer should a wanted executive be out. The plan obviates the enquirer's having to wait while the operator rings all over the building vainly trying to locate the wanted individual. When the red light opposite a man's name is 'on', it means that he is out."

This useful arrangement was entirely "home made". One of the junior executives had wired it up using an ordinary 12-volt motor car accumulator and tail lamp bulbs covered with red transparent paint.

Our Policy is —



This is one corner of Paulden's Buying Office where travellers are welcome

See EVERY Traveller Who Calls

A. P. BESLEY

Managing Director: Paulden's, Ltd., Manchester

To be efficient a buyer must know **EVERYTHING** in his particular line which is being offered on the market. He can go a long way in this direction by seeing **EVERY** traveller and by getting their goodwill and that of the supply firms whom they represent.

Speaking generally, the buyers in a vast number of British Stores still do not realize the truth of the policy that there is everything to gain and nothing to lose by at least seeing every traveller and the goods he has to sell.

A buyer should know *everything* in his own line that is being offered for sale. He should be the last man in the world to cultivate an insular attitude and conclude that, because there is at the moment nothing in his own mind which he needs, there is no reason to see a visiting traveller or his goods.

In our business the policy of seeing

travellers and their ranges of goods is one on which we place the strongest emphasis.

As we have some 80 departments, a

great number of travellers call on us. We maintain that it is to our advantage to see all of them, to hear what they have to say and to see what they have to offer.

Accordingly, we have drawn up a plan to enable us to do this as completely yet as concisely as possible.

We have opened a Buying Office at the rear of the store to which all travellers and representatives wishing to interview our buyers report.

Each buyer has his allotted day, and on that day he *must* see every traveller who calls upon him. The hours for these interviews are 9.0 a.m. till 12.30, and from 2.30 till 5.30, on Mondays, Tuesdays, Thursdays and Fridays.

On Wednesdays our buyers do not remain in the store but visit the local factories and wholesale houses. The Buying Office, under a capable manager, is, however, open on Wednesdays,

which is our early closing day, from 9.0 a.m. till 12.30.

We have issued a copy of these instructions to all the selling houses, so that people who call on us know our policy in this respect.

We consider, too, that we can make still more use of the traveller and his house than merely looking at the goods he brings round. Regularly we circularize all the selling houses which supply us, informing them of the dates and objects of our store events. We ask them to submit, in addition to routine lines, any "specials" which they think will be appropriate to the events and which will be likely to create more business.

In this way we not only make sure of getting *all* of the best supplies in the market, but the job of the visiting traveller is made much more pleasant and easy. We get *his* goodwill, and consequently his best service.

This circular letter was sent to all Paulden's suppliers advising them of the firm's arrangements for the welcome of salesmen and their goods. Note the last paragraph, where suppliers are invited to submit appropriate lines for the Stores' special events. This Store has **PROVED** the truism that "it pays to see every salesman".

PAULDEN'S LIMITED

Drapers & Furnishers

STRETFORD ROAD, ALL SAINTS
MANCHESTER

MANAGING DIRECTOR'S OFFICE.

THE SALES MANAGER

19th July, 1934.

Dear Sir,

Owing to the enormous increase in the number of representatives calling upon buyers, it has become necessary to devise some better method of contact if we are to ensure a continuance of the courtesy which this Firm feels is always due to its suppliers.

With this end in view we have opened a Buying Office in the Store with entrance at the rear of the building in Boundary Street.

Every facility in the form of telephones and runners has been provided to ensure speedy contact with the appropriate Buyer. In the event of a Buyer being out of the building care is being taken as far as possible not to allow any good offer to be missed.

The writer, or in his absence, his assistant, will welcome meeting Directors or Sales Managers, if they will make themselves known in the Buying Room.

The attached sheet gives details of the regulations that have been drawn up to ensure the proper working of the scheme, but we shall greatly welcome any suggestions to enable us to be consistently helpful.

We also ask you to help us by informing the writer in confidence or otherwise of any incident likely to strain the happy relations which we pride ourselves exist between Paulden's and its suppliers.

We also attach a list of our main Store events throughout the year, and our Buyers would welcome any special offers which you can make to them prior to, and in time for delivery for, these events.

Yours faithfully,
for PAULDEN'S LTD.
Al. Bentley
Managing Director.

P.S. The above arrangements commence Monday, July 23rd.

CHAIRMEN
F. J. PUGH (Chairman)
A. P. BEELEY
G. H. WRIGHT
W. G. HUGHES
J. H. HUGHES

TELEGRAMS
PAULDEN, MANCHESTER
TELEPHONE
ARNDICK 4881
CUM 1934 1934

These IDEAS are Sales-Builders

Stop Press News Sheet

A well-known department store circularizes its women customers, every week, with a single page news sheet offering special bargains. This sheet, produced on an ordinary duplicating machine, bears the details, written in brief, crisp "stop press" news style, is just enough to interest and not so long as to become boring. This sheet, so the store reports, is a more effective business-puller than the ordinary sales letter or catalogue.

Sales Up 50 Per Cent.

The designer of a new branded toilet paper realized that two problems faced him. First, the embarrassment of women shoppers when demanding "toilet paper", and secondly, that, being a bulky product, it is very seldom displayed. New display cartons overcame both problems. In lavender black and white, they are designed to hold six of the rolls and to enable the

women shopper to serve herself from the counter. A new name—bath-room tissues—receives prominence, as also does the alternative-use message—an ideal cold cream remover. The new angle on selling raised sales 50 per cent.

Babies Provide New Market

Blondes, brunettes and red-heads have all taken their turn at being useful to the makers of shampoos—liquid and otherwise. Shampoo manufacturers might indeed have been excused had they expressed opinion that new sales outlets seemed non-existent.

The Beautywave Company, however, had still another brilliant idea—a special shampoo for babies.

Some months ago the company realized that there must, in the nurseries of the world, be thousands of babies and young children, all of whom were potential users of a "baby" shampoo. The appeal to the mother of something especially designed to meet her children's need is never-failing, and the demand, once created, should prove a constant one.

Good advertising and an appealing package put the new product successfully on the market. Looking at it from a business point of view, the venture was an excellent example of how logical thinking can find still new uses for products which might be thought already fully sold.

Biscuits for Hikers

The hiking craze has now been capitalized by two biscuit firms, both of whom have produced biscuit packs specially designed for picnics and hikes. Crawford's Kit-pack is an air-tight carton of cheese and biscuits (plain, sweet, currant and chocolate) in green and yellow with the lettering white on dark blue. Picnic packet by Huntley and Palmer holds nine varieties of sweet and dinner biscuits in a green-and-white carton. Lettering is blue and white and landscape designs are printed at each end of the light-green wrapper.

BRING THE RAILWAY TO YOUR DOOR

GREAT WESTERN RAILWAY ROAD RAIL CONTAINERS

Offer a Door-to-door Service, without handling *en route*, eliminating the risk of damage.

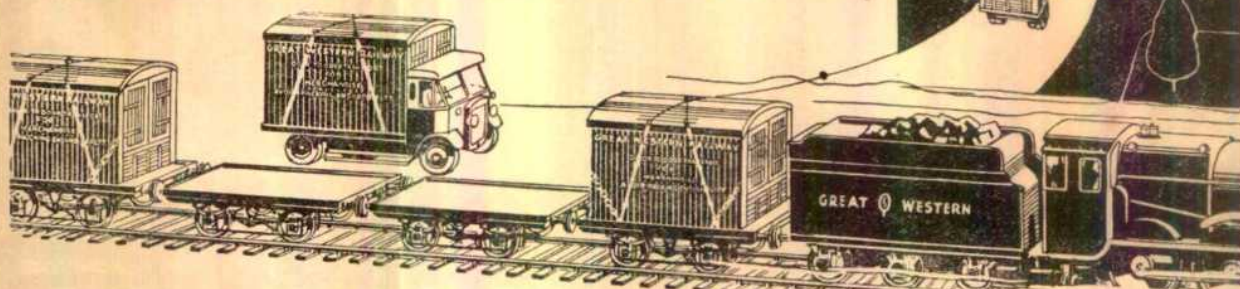
Packing can be reduced to a minimum; whilst economy is further reflected in reduced carriage charges.

Different types of containers, suitable for all descriptions of merchandise are available.

An illustrated brochure is obtainable on application to the Chief Goods Manager, Great Western Railway, Paddington Station, London, W.2

Paddington Station, London, W.2

James Milne, General Manager



It is a SOUND INVESTMENT to use the "POPULAR PAIR"



A FURTHER IMPROVEMENT.
SIEMENS Pearl or Opal Gasfilled
40-watt lamp (200-260 volts) is
now made with the new patented
"Coiled-Coil" filament, which gives

20% MORE LIGHT

for the same current
consumption. The price is the same
as that of the ordinary SIEMENS
40-watt Pearl or Opal lamp. The
60-watt size will be available
early in the New Year. Insist
on SIEMENS "Coiled-Coil" lamps.

MADE IN ENGLAND

OBTAINABLE WHEREVER
ELECTRIC LAMPS ARE SOLD

SO-CALLED "CHEAP" LAMPS ARE.
A GAMBLE AND A VERY POOR
INVESTMENT. ALWAYS INSIST ON

SIEMENS

PEARL OR OPAL LAMPS
and so ensure satisfactory service

Advt of SIEMENS ELECTRIC LAMPS AND SUPPLIES LIMITED. 38/39, Upper Thames Street, London, E.C.4.

USE LMS CONTAINERS

Your competitors are using LMS Containers ... Why? Because containers offer *through transport from door to door*. That saves time, money, and risk of damage. Time, because the container is craned direct from road to rail vehicle and vice versa; money, because packing and labour costs are reduced; risk of damage, because the goods themselves are not handled from the time they are packed until they reach the customers' premises.

The demand for containers has been so wide that the LMS have built 10 different types for the conveyance of various kinds of goods, amongst which are types specially suitable for your traffic.

FULL PARTICULARS

from any LMS Agent or from Chief Commercial Manager, Euston House, Dept. B.A. 35, London, N.W.1.

Walter Gammone
LIMITED
ROAD TRANSPORT CONTRACTORS

Telephones:
METROPOLITAN
2622, 2623,
BIRMINGHAM
MIDLAND
3560, 3561,
LIVERPOOL
BANK
5874, 5875

Telegrams:
"GAMMOC,
FINSQUARE
LONDON"
"GAMMOC,
BIRMINGHAM"
"GAMMOC,
LIVERPOOL"

FRI.

JAN.

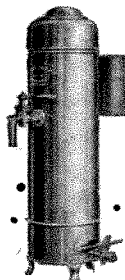
Door to Door Service *Goods at Customers Risk*

27-28, FINSBURY SQUARE, LONDON, E.C.2. (CHAS. & S.)
10, HOLBORN CHAMBERS, BROAD ST. BIRMINGHAM.
7, MAXWELL HOUSE, ST. PAULS SQUARE, LIVERPOOL.

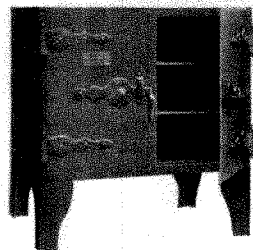
CATERING IN INDUSTRY

Install "STOTT" Gas, Steam or Electrically Heated Catering Equipment, suitable for the smallest Workshop to the largest Canteen. Water Boilers, Hot Cupboards and Carving Tables, Food and Vegetable Steamers, Dinner Warming Ovens, Urns of all descriptions, etc.

Write for fully illustrated literature



Automatic Water Boiler



Dinner Warming Oven*

James Stott & Co. (Engrs.) Ltd. Oldham
Manufacturers of Hot-Closets, Water Boilers, Cafe Sets, etc.
(Established over 60 years)

Why a Canteen is Sound Business



The new and fast-growing industrial areas away from towns introduce problems of proper feeding for employees. Only well-fed workers can produce good work. Would a canteen help to lower YOUR Costs?

By
STANLEY TOWNSEND, LL.B.

Good work and adequate output are impossible without adequate food. A cup of tea and bun lunch is no foundation for an afternoon's work. The best way to ensure that employees get at least one good meal a day is to provide a midday dinner at a low price.

This, at least, is the conviction of industrial firms operating employee canteens. Many canteens have been opened: most are still successful: more are planned. A few have been closed, usually because the need did not exist, or the prices or the "atmosphere" were inappropriate.

Good Food Means Better Work and Less Absenteeism

The canteen, it is constantly being proved, raises output during the latter part of the day and maintains the general health of the employees. An all-round reduction of absence through sickness is also traced as a result of nearly every canteen that is opened.

By a canteen is meant the organized provision of cooked meals, and not merely the warming and eating of food in a mess-room.

A number of preliminary questions arise when the erection of a canteen is proposed. What is the number of employees? How many live too far away to go home to lunch? What arrangements are they making at present? What competition would be offered to the canteen by lunch rooms near the works, and at what prices? Will the canteen be controlled by the management or by a popularly-elected committee? Who will run it? What subsidy in cash or accommodation will the company grant? What accommodation is available, and will the dining-room also be used for general social purposes.

A Canteen Cannot be Run By an Amateur

The general plan of the canteen should be considered on broad lines,

preferably with an architect, and regard should be had to the accessibility of the works cloak rooms as well as to any social purposes also contemplated. A decision must be reached as to whether all employees will dine together or be separated into office and works or male and female. Space must be allowed for orderly queues.

In the practical operation of the canteen, the services of a manager or manageress experienced in popular catering are essential. It is not a job to be entrusted to a pensioner, or a person with merely household experience.

The arrangement of the dining-room is a subject on which quite useful views may be expressed by those without specialized experience in catering. But the equipment and lay-out of the kitchens call for technical knowledge and consultative service. The capacity and convenience of the kitchens must be strictly related to the quantity and variety of items to be produced.

The fuel to be used will doubtless be influenced by what the works itself is doing, but a supply of steam will usually be regarded by a canteen manager as a godsend.

The system of payment requires some
(Continued on page 44)

TRANSPORT SERVICES . . . That Cut Costs

(Continued from page 24)

The leading railway companies have also made enormous strides in developing the door-to-door delivery service.

One company alone employs a fleet of 5,000 road vehicles to make door-to-door collection and deliveries to and from their sidings and warehouses.

One of the most useful developments by the railways for manufacturers, however, is the road-rail container. With this service the goods can be loaded in the manufacturer's warehouse, collected by the railway companies' road vehicle, transferred to train, unloaded at the destination and again conveyed by another of railway's road vehicles to any point required. Handling charges are saved and low bulk-rates for transport secured.

Your Consignment Checked all along the Line

Another important feature provided by the railways is the registered transit system under which traffic is specially controlled by telephone and telegraph throughout its journey, thereby ensuring delivery at any specified time. There is a nominal extra charge for this of only half-a-crown per consignment, whether a single package or a whole train load.

In the case of such goods as grain, cattle and poultry foods, fertilizers, etc., required to be delivered in country dis-

tricts, the railways arrange to run these in bulk—at low bulk rates—to strategic points and then deliver the individual lots by their special country lorry services. Thus a great expense and much time is saved.

Many manufacturers do not require their goods, once collected from the factory, to be delivered straightway to customers. In such cases the railways provide modern warehouses, electrically equipped for the handling of merchandise, in all the important districts served by the systems. Low warehouse rents, together with the performance by the companies of services such as sampling, labelling, stocktaking and the execution of orders, enable the trader to keep a ready stock for his area customers. Alternatively, office accommodation can be provided in the warehouse for the trader's own staff.

It is not possible, as I have said, to indicate here the individual uses and advantages which these well-developed—and still improving—services give to the business man. What the business man should do, however, is to get the literature fully describing the services and the rates which is issued by the railway and the road transport companies. Alternatively, submit your individual requirements or problems to these companies; they will give you comparative costs which will enable you to see where you can gain advantages in both service and cost.

Cutting the Cutting Room Costs

A clothing manufacturer noticed that his knife-machine men spent considerable time opening out and straightening each lay before cutting. The operation which preceded the knife work consisted of chalking the various garment parts from patterns upon a length of cloth. This was then laid on the top of a number of similar lengths. The number of pieces thus pleated depended upon the number of identical garments required. This was generally about twelve. The completed lay, usually measuring about three yards long, was then folded several times. This was necessary for handling, and for making it possible to store several

lays side by side in readiness for cutting. The knifeman, therefore, was compelled to unfold and straighten each lay, making sure that all edges were even.

The manufacturer prepared a number of pieces of three-ply wood, each large enough to accommodate one lay before folding. Each lay was then pleated straight on to one of these boards. When the desired thickness was reached the board and its contents were passed to the knifeman. If necessary, other lays were placed flat on the top of those already waiting.

By this method, the knifeman was able to lift or slide his work straight

into position. No unfolding or straightening was necessary. The possibility of the "creeping" of underneath pieces was eliminated and storing was simplified. Time was saved in pleating, too, since the folding operation was cut out.

♦ ♦ ♦

Cuts Window Cleaning Costs

In a big mass-production factory where there were many thousands of square feet of glass in the roof, cleaning, with buckets of water, took a considerable time. The management then ran water pipes from the mains, with taps located on the permanent platforms in the roof used by the cleaners. This reduced cleaning time by about one-third.

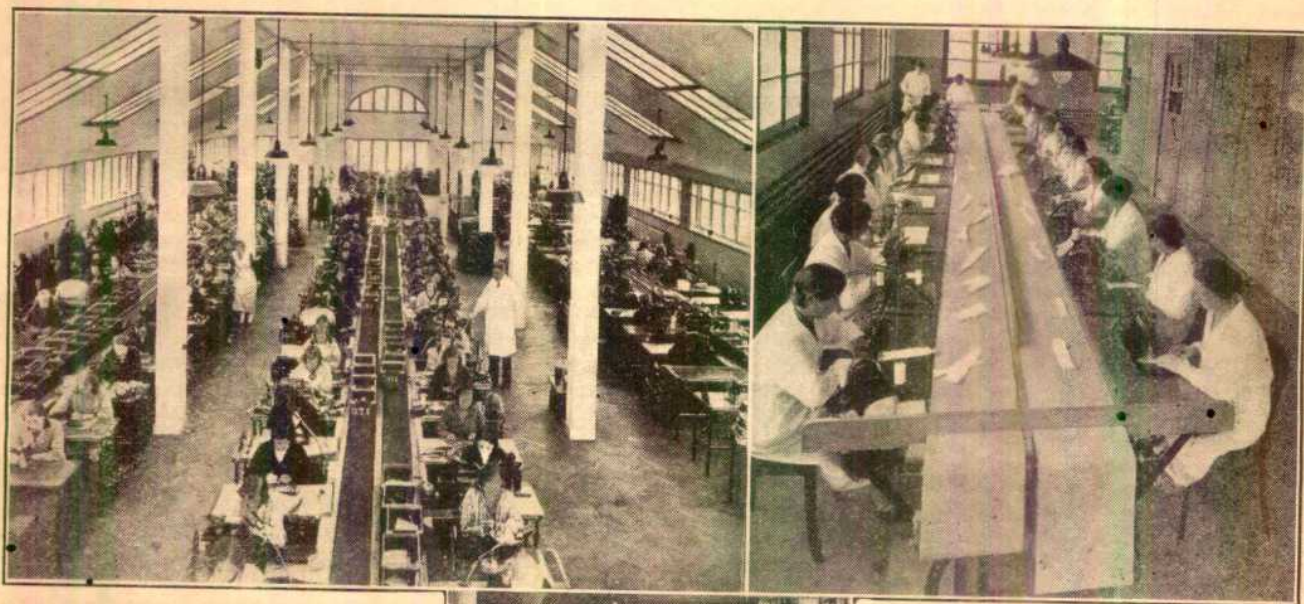
This 2-WAY CONVEYOR BAND Raises Output 25-50 Per Cent

The illustrations here are taken from three distinct factories. Top left is a boot and shoe factory where a matter of 60 to 80 different varieties of women's shoes are being produced at

absolutely necessary that the system be installed, and the production of the goods sequenced, by men who thoroughly understand the production of the particular article concerned. It

is only by this means that a proper sequence and balanced production can be obtained.

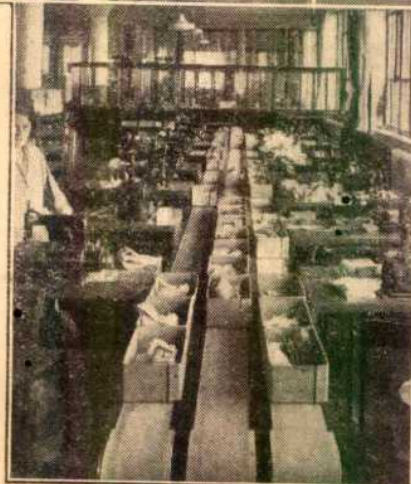
It is only experts on these systems who are able to produce what is called



one time. The installation of the 2-way conveyor system in this factory raised the output by 20 to 25%.

On the right is a 2-way conveyor system carrying collars in a collar factory. In this instance the output was raised nearly 50% by the installation of the system.

The lower illustration is of a three-way conveyor system, the installation of which raised the output by approximately 25%. In previous issues the advantages to be obtained by this type of conveyor system have been pointed out, but it should be emphasized that when consideration is being given to the installation of a conveyor system, it is



a multiple production system, that is, a system whereby a multiplication of varieties can be in the course of production at one time, each particular type of article being produced at any particular given number per day. For example, in the lower illustration there is a matter of fifty different varieties of women's shoes being produced at the same time, each variety being turned out at a pre-determined specified number per so many hours. It is not, of course, necessary at all times to retain the same specific production of each variety per day, but this can be altered at will, according to the orders that are being obtained.

Getting the BEST out of MASS PRODUCTION Workers

The first part of this article, published on page 24 of our August issue, revealed the effect on groups of workers of various bonus payment systems for "monotonous" mass-production routine work. During the experiments, however, further interesting facts were discovered in regard to the effect on the output of individual workers.

It is generally held that individual differences are reduced by training—a fact of great importance, since, if differences can be reduced to the point of becoming negligible, the need for the initial selection of workers is removed.

Consider This "Inclination For Work"

It is striking, therefore, that no evidence of this tendency was found in the experiment. Individual differences in output decreased sharply after each change in the method of payment, but the decrease was temporary only, and individual differences tended, on the whole, to increase as the experiment continued. There seems no doubt that the variations in this case were due not so much to differences in capacity as to differences in inclination for work. The "levelling" effect of practice, in other words, appeared only when the incentives to work were strong and all the subjects responded according to their respective capacities.

As stated last month, five different operations were involved in the experiment, each girl performing each operation for one day in each week. The nature of the operations was as follows:

- (1) *Unwrapping*.—Workers merely removed paper from pieces of toffee imperfectly wrapped by machine.
- (2) *Wrapping*.—Wrapping toffee in tin-foil.
- (3) *Packing*.—Squares of wrapped toffee were packed, four at a time, into tins, and lids fixed.
- (4) *Weighing*.—The worker filled a tin with wrapped toffee, adjusted contents to give required weight, added a paper slip and fixed the lid. From time to time the filled tins were packed into cartons. The operation was performed standing.

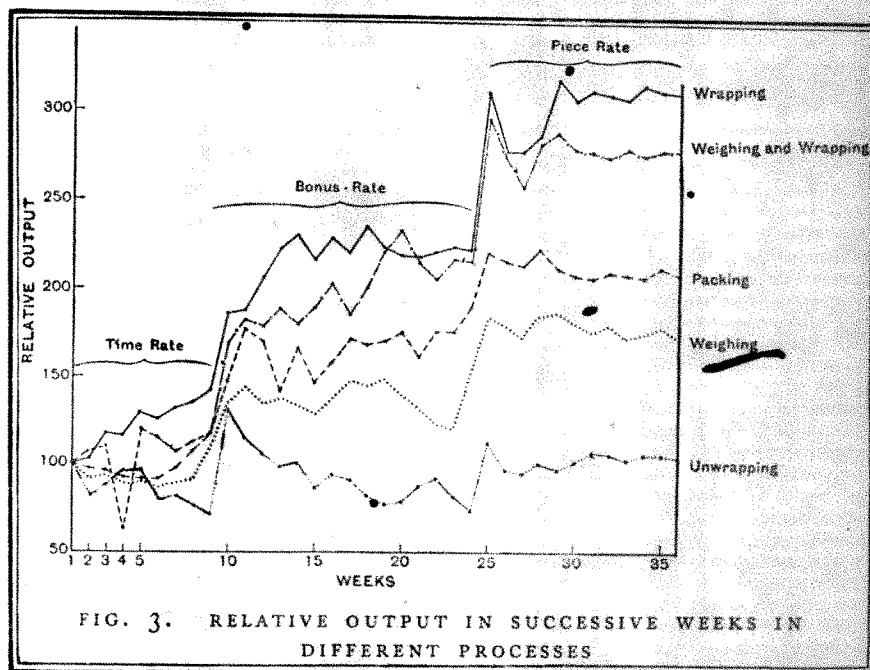


FIG. 3. RELATIVE OUTPUT IN SUCCESSIVE WEEKS IN DIFFERENT PROCESSES

- (5) *Weighing and Wrapping*.—This process—the most complicated of the five—was also performed standing. The girls weighed out 4 lbs. of wrapped toffee, placed it

The findings of these experiments are of vital importance to manufacturers using "mass-production" labour on repetitive work.

Money incentives MAY not be sufficient to produce the "will-to-work" if the TYPE of job is wrong.

To maintain this "will-to-work" throughout the factory is a great problem.

Group "atmosphere" among workers has a vital bearing on output. It is easily upset by individual workers. Watch for the type of worker who has a disturbing influence.

Make jobs smooth and rhythmic and they will be much less boring.

in a tin, pressed and levelled the toffee, inserted a paper slip, fixed the lid, wrapped the tin in brown paper, tied it with string and labelled it.

The order of popularity of the operations was: 1, Wrapping; 2, Packing; 3, Weighing and Wrapping; 4, Weighing; 5, Unwrapping.

Wrapping was regarded as a clean, attractive job, free from interruptions and easily performed rhythmically.

Packing was the same, though occasionally cut fingers and lids difficult to fix broke the rhythm.

Weighing and wrapping could not be automatized, but its complexity added interest; girls seemed to derive satisfaction from seeing stacks of attractive tins pile up. This job, however, proved tiring as it was performed standing and involved lifting of the packed tins.

Weighing was fairly disliked; it required more attention than wrapping; constant insertion of paper slips was irritating and interfered with the main job; continuous standing found tiring. Unwrapping wholly disliked as messy, aimless, and a negative process.

The curves in Fig. 3 clearly reflect the workers' mental attitudes. In the most popular operation, wrapping, output was almost trebled by the end of the experiment, while unwrapping, the least popular, showed no improvement at all.

The effect of the workers' mental attitudes was also shown in the records of lost time and absence for illness. The relative amounts of time lost by voluntary stoppages:

Wrapping	100
Packing	105
Weighing and wrapping	106
Weighing	117
Unwrapping	120

The number of spells when operatives were absent through indisposition is shown:

Wrapping	10
Packing	11
Weighing and wrapping	11
Weighing	16
Unwrapping	17

The order in each case corresponds exactly with the order of preference for the different processes. Absenteeism on the less popular processes was often attributed to "headache" or "getting up late"; but the workers seemed free from these complaints when they were due for work on the other processes.

Even Strong Incentives May Not Arouse "Will to Work"

The results hitherto discussed have emphasized the importance of financial incentives: the present example helps also to define their limitations. Payment systems are of the greatest importance in stimulating the *will to work*, but they are not, in themselves, sufficient to produce it. If an operation is regarded as totally aimless and futile, the strongest monetary incentive may have no effect.

Further evidence to support this view is provided by the drop in the "weighing" curve after the 19th week. At this point, as a result of overproduction, the finished tins, instead of being sold, were emptied in the factory and returned to the experimental group. When this fact became known there was a marked loss of interest and output dropped considerably, although the payment system remained the same as before. Remarks such as "this is a silly business" and "I don't see any point in filling the same tins over and over again", illustrated the prevailing attitude.

This Will Be Your Greatest Difficulty

The employee's *will to work* clearly depends on the feeling, not only that his efforts are receiving an adequate reward in money, but also that the outcome of his efforts is of value. How to produce this feeling in a mass-production factory—where many of the employees may spend their whole day on a single process in the manufacture of a single part of an article which they have never seen complete—is probably the most important psychological problem confronting modern industry.

To return now to the curves of output, it will be seen that, taken in conjunction

with the workers' statements of preference, the most popular operations, and those in which training produced the greatest improvements, were either (i) those which were so simple that they could be performed almost automatically while the workers talked or day-dreamed, or (ii) those which were sufficiently varied and complex to be found interesting in themselves. The least popular operation were those which were neither complex nor purely repetitive—operations which made occasional demands on the workers' attention, but which were incapable of arousing sustained interest.

Make the Operations Smooth and Rhythmic

Repetitive work is not necessarily boring: in fact purely repetitive work, involving a regular and rhythmical sequence of movements, is usually far less boring than work which is slightly more varied and demands some small degree of conscious attention. The aim of the industrial psychologist is not to reduce the "monotony" of repetitive work, but to remove all hindrances which prevent the work from becoming automatized.

The disproportionate effect which such hindrances exert are shown in the one example in Fig. 4.

How Group "Atmosphere" Affects Output

While experiments have shown that the shape of the work-curve depended on the type of the work, a number of observations revealed that this tendency is to a great extent neutralized by the effect of group atmosphere.

At certain times an industrious attitude would prevail, girls would compete and try to break records. At other times there would be a general slackness or a spate of conversation or argument, and output would suffer accordingly.

In the creation of group atmosphere particular workers often played an outstanding part. In the experiment two girls were noticed; both, in different ways, were talkative and domineering. Neither was suited to repetitive work; their influence affected the other workers, and

when either of these two was absent, output tended to rise, in one case 10.2% and in the other 12.5%, a very important point.

Girls Worked Best When Working Alone

Interesting results were noted when each worker in turn was isolated from the rest of the group. Freedom from group influences in every case prompted an increased output as follows:

Worker	A	B	C	D	E	F
	23.6	23.2	52.0	41.9	22.7	43.5
Worker	G	H	I	J	AVERAGE INCREASE	
	37.0	38.8	22.6	55.7	36.1%	

All the girls agreed that they could work better alone, and that working hard made the time seem short.

There was no evidence that the greater output produced greater fatigue.

Comparison of individuals' results showed clearly that for group repetitive work by far the best output is obtained from girls of a quiet, steady, persistent nature who lack ambition and imagination and who are not readily disturbed by distractions.

The least suitable type is the animated, variable, voluble individual who is responsive, expressive and easily disturbed.

This is a most valuable guide in selection to manufacturers who employ this type of labour.

This article, the first part of which we published in August, is abstracted from a summary made by Miss Margaret Horsley, of the National Institute of Industrial Psychology (published in the Institute's organ, "The Human Factor", May, 1934), of the work, "Incentives in Repetitive Work", by S. Wyatt, L. Frost, and F. G. L. Stock (Ind. Health Res. Bd. Report No. 69, London, H.M. Stationery Office, 1934). The graphs are reproduced by permission of H.M. Stationery Office.

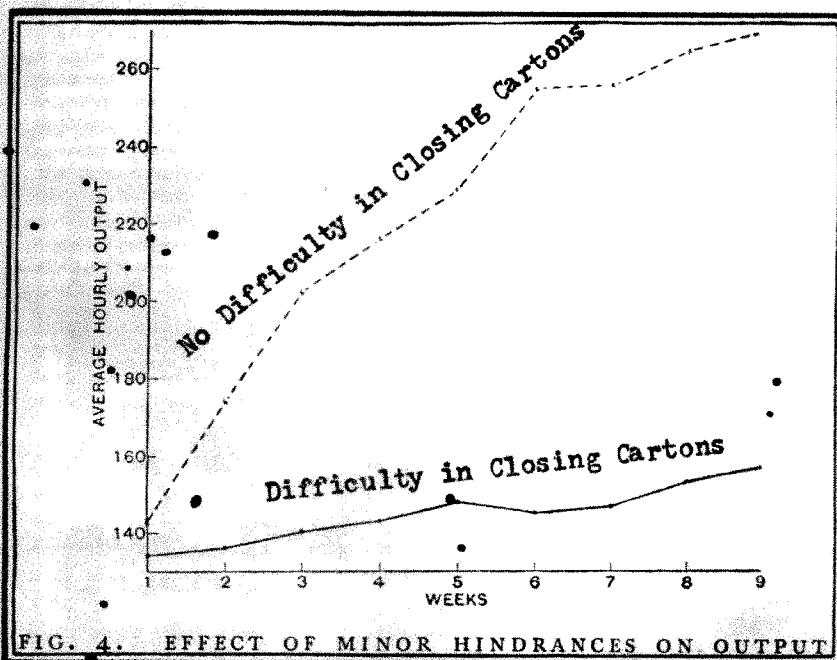


FIG. 4. EFFECT OF MINOR HINDRANCES ON OUTPUT

A Sheffield firm has produced a very useful novelty in the form of a light metal plate in the rim of which is incorporated an indentation for salt and mustard, to prevent these condiments from running down into the plate.

Railway goods wagons, 93 feet long, tare 79 tons and having a load capacity of 200 tons, are being made for a foreign government by a Midland firm. These trucks are said to be the largest in the world. As these trucks are actually being made here, and presumably they will be tested here, it seems a good opportunity to demonstrate to the proper authorities of British railways the economies which are possible with the really big capacity truck. The delays and expenses thrust upon the business man by our present inadequate trucks of 10 and 12 tons have gone on long enough.

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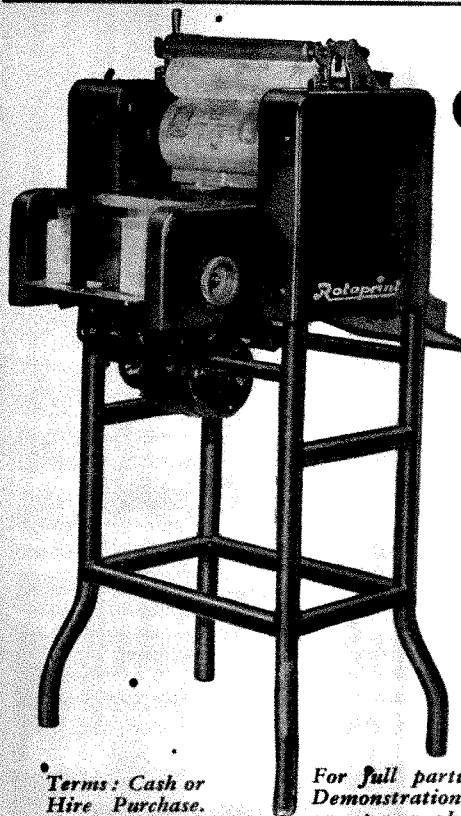
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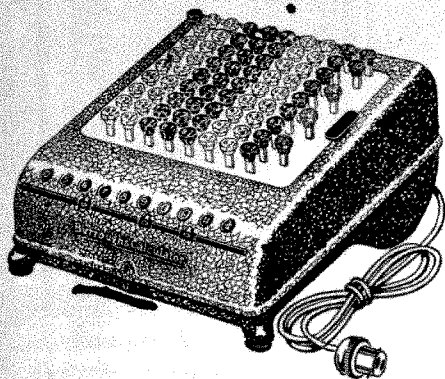
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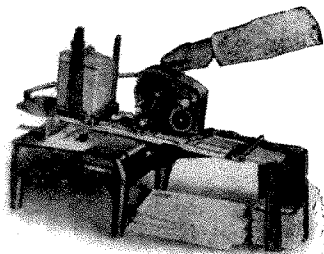
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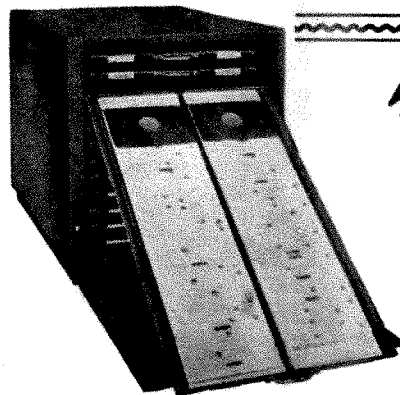


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How The Calculating Machine

AIDS

FIRST-TIME ACCURACY



These operators are using a wages and costing machine and electric calculators
Illustration by courtesy of "The Railway Gazette"

Four major functions in the accounting organization of this well-known firm are taken care of by a battery of eighteen calculating machines of the key-driven, non-listing type. These functions are invoice-pricing, invoice-checking, sales "day-book" totalling, and sales dissection.

To understand the important part the machines play, it is only necessary to mention that the total number of invoices and credit notes to be handled in a year approaches 450,000—say 1,500 a day. Each invoice has, moreover, on the average three lines, thus giving three sets of figures to extend, and each calculation has to be checked, making in all six operations per invoice. The total of daily sales is obtained, and the accurate dissection of sales under no less than forty-four departments with sixteen further sub-dissections in the surgical instrument section is achieved with routine accuracy.

This is the Nature of The Work

The striking sales features of this firm of manufacturing chemists are the wide range of commodities dealt in and the relatively small size of the individual order. The firm has always supplied its goods to the public through the

wholesale houses and retailers and, as may well be imagined, seldom is any great stock of any one line carried by the latter. The result is a multiplicity of orders of small dimensions.

The invoice is checked before dispatch, of course, and it follows that strict accounting accuracy coupled with a considerable measure of speed must be achieved in the handling of these items in order that the prompt delivery upon which the firm prides itself may be maintained.

The customer's order, after numbering, is passed to a card-index section where name and address are verified and credit passed. At the same time



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noted. Each item on the order is then allocated to one of seven main commodity groups designated by a number.

How the Invoice is prepared

The order is then passed to the invoice typing section which sets out on the invoice full details of quantity and description in commodity group order, but does not extend the prices. Carbon copies made simultaneously provide the Ledger Docket for posting, the Pricing copy, Dispatch copy, Customer's Receiving Note and Statistical copy for sales analysis by quantities.

The pricing copy is passed over for completion by the insertion of price rates, and the calculators come into the picture for the very important function of extending each price accurately and speedily.

The next stage is to bring together the invoice, ledger docket and pricing copy so that the prices shown on the latter may be transcribed by typewriter, to the invoice and ledger docket.

The accuracy of transcription as well as of original calculation are neatly checked in one operation by means of the calculators. Each item and the totalling is worked out afresh and the cast made. It is clear that a misreading of quantity or price, as well as any typing error is most unlikely to escape this searching check.

Totalling Daily Sales

The day-to-day progress of sales is a feature of the business that receives close attention, and since the elaborate dissection already referred to cannot be completed overnight, the total of all sales is taken as a preliminary indication.

This, by the use of the calculating machines is readily obtained during the last hour of each business day, by running through the ledger dockets and taking off just the cash totals shown. The resulting grand total is then transferred to the sales record sheet for comparison with the results for preceding periods.

(Continued on page 38)

By FREDERICK HUTCHINSON
Business Consultant: Late of
Cadbury Bros., Ltd.

DICTATING MACHINES . . .

Save £1,300
A Year



In this centralized transcribing department at Cadbury Bros., Bournville, only 30 girls deal with the dictation from eight different departments

Except in those few firms where the work has been put on a proper basis, the correspondence department is, as a rule, the "nobody's child" of the organization, allowed to go its own way without effective supervision, its working output unheeded, no one paying attention to whether it is operating efficiently or not. Consequently, its expense contributes an overhead cost disproportionate and excessive in comparison with the volume of work actually done.

If any business principal doubts this point, I advise him to check the production of every operator. Typewriting is the easiest of all office work to measure, yet, unfortunately, only a small proportion of the offices in the country make any effort to measure it.

There are four methods of measuring typewritten matter—by words, by lines, by square inches and by key strokes.

Measure Your Office Typing Output

The counting of words method is rarely used except in typing offices, it is not practical in the ordinary business office, its expense being too great. In the line counting plan, a standard line must be fixed. It may be of any length, but the typist must always use the same length.

The square inch method is applicable to all forms of typewritten matter that are regular in form. Measurement is done by transparent celluloid scale, which, when placed over the letter, indicates the square inches of typewriting done. Short lines, name and address, salutations, etc., are disregarded, allowance for these must be made.

In the key stroke method, a counting device attached to the typewriter

counts the actual strokes as they are made by the typist. This is the most precise method of all, since every stroke is registered. From an analysis of 500,000 words ordinarily used in commercial practice, it is known that the average length of a word is five letters. Thus, including the space between words, every six strokes made on the typewriter are the equivalent of one word.

What Does it Cost to Type a Letter?

Having ascertained the output of every operator for a period of, say, one month, and the total sum paid in wages, work out the average cost of transcribing 1,000 words over the entire typing staff. I can assure any business principal who makes this test that the

How does the executive benefit by using dictating machine?

1. He is independent of the personality of the stenographer.
2. He can do his work at the exact moment he wants to do it instead of having to wait until a shorthand writer is available.
3. He may dictate at any pace at which it is possible for him to collect his ideas and to speak.
4. By working alone he gains greatly increased concentration and thus makes more effective use of his working time.
5. He makes a net gain of 20% in his working time.

result will be a staggering surprise. But if it leads, as assuredly it will, to the introduction of better methods, the small amount of trouble involved will be more than justified.

Let me say emphatically, that in my view the responsibility for a low typing output does not rest with the shorthand-typists. At least 80% of the waste which occurs in office practice is the management's responsibility. Only 20% is due to lack of application in the individual.

The reason for the high cost of typing output is two-fold. First, the system of taking down dictation in shorthand, which is extremely wasteful, and, secondly, the difficulty of effective control of the transcribing due to the uneven flow of work. If these two causes—and both of them are the management's responsibility—are eliminated, the cost of handling business correspondence can be reduced by at least one half.

Few people will deny that the best and surest way of reducing working costs is *not* to reduce wages, but to increase the productive capacity of the individual worker. Office managers are beginning to realize that high production is just as important in the office as it is in the factory, and that only by this means can they hope to achieve the degree of effectiveness that will be necessary to meet future business conditions.

Key Strokes a Sure Test of Output

As an illustration of how office costs can be reduced, let us take, for example, a shorthand-typist earning, say, 50/- per week, and making, 280,000 key strokes a week transcribing matter dictated to her. Now the same girl, working at the same typing speed but transcribing from a dictating machine instead of from shorthand notes, would be able to do 640,000 key strokes. It follows, therefore, that one half of the cost of transcribing can be saved.

From the point of view of the dictator (apart from the advantage that he can do his dictation on the dictating machine in his own time, instead of having to wait until there is a stenographer available) he can, with very little practice, dictate much more rapidly, with the result that he will get

through his work more quickly, or alternatively, do more work. The economic saving under this heading can safely be put at least 20%.

The foregoing illustration of the economy possible is not a mere theory nor a beautiful but unworkable ideal; it is taken from the writer's personal experience.

Why Executives Should Use Dictating Machines

The dictating machine will reduce the cost of business correspondence as the typewriter reduced the cost of writing letters, and for exactly the same reason it will secure a higher output from each individual worker. It is, in fact, as illogical to dictate to a shorthand writer as it would be to go back to writing all letters by hand, because it is bad practice, economically and socially, to do by human labour work that can be done as well, or even better, by the automatic machine. All industrial developments have been built up on this principle.

In March 1927, the first dictating machines were installed in the offices of Cadbury Bros., Ltd., at Bourneville. During the four weeks beginning October 6th the same year, 20 typists tran-

scribing from shorthand notes produced an average output of 270,606 key strokes for the period.

In the same period the typists transcribing from the dictating machines made 637,500 key strokes, an increase of 135%. In both cases the output was recorded by key strokes counters attached to the typewriters. This result naturally led to a considerable increase in the equipment of machines.

At Bourneville the number of letters typed by a dictating machine operator is on the average 60 per day. A senior operator can average 90 letters per day, but a junior who is new to the work may only reach 30 per day.

The shorthand typists average between 30 and 40 letters per day, so it would require approximately double the staff to cope with the present number of letters if the work were all done by shorthand typists.

Assuming that the labour cost of shorthand typists in any firm is, say, £75 per week, it is possible by using the dictating system, after making generous allowance for every contingency, to reduce this figure to an amount not exceeding £50 per week, thereby effecting a saving of £25 per week or £1,300 per year.

"There was never yet a grievance that could not be adjusted by sensible discussion. If you have a grievance, therefore, please bring it to me. I shall be pleased to help you."

(Signed)
Office Manager.

Such a notice would be of no avail if the office manager was of a type unsuitable to give patience and a sympathetic hearing to employees of all ages. In the case mentioned above the executive was experienced and tactful.

"The worst thing in a big staff," he said, "is to have those sullen 'under-currents', resented conditions or circumstances which the staff refused to bring to light before the management for fear of ill-considered censure."

Pictures and Drawings by Wire

A very useful service for the business man has been developed by the Post Office. Picture-telegrams of photographs (positive or negative) drawings, plans, typed, written, printed or shorthand matter, can now be sent by wire from London or the Provinces to many European centres.

At present these centres are limited in number, but should it be required to send a picture-wire to destinations beyond any of the selected European towns, a receiving centre nearest the ultimate destination can be chosen and the picture-wire dispatched there for relay, thence by post.

The fact of possibly having to relay the final part of a journey by ordinary post adds but very little time to the service; any delay is more than offset by the enormous advantage of being able to transmit, over the bulk of the distance, exact facsimiles of any photographed, drawn or documentary matter.

• Areas of a size up to 18 by 25 cms. can be transmitted at a cost of from 2½d. to 4d. per sq. cm., with a minimum of 96 sq. cms. (a special minimum of 120 sq. cms. to Paris).

Full details of this service are set out in a 4-page leaflet: "Picture and Facsimile Telegraph Services," which can be obtained from the Post Office.

Ideas from Other Offices

Loud Speaker Helps Dictation

On this page is a brief account by Mr. F. Hutchinson, late of Cadbury Bros., who speeded up work by the introduction of the dictating machine.

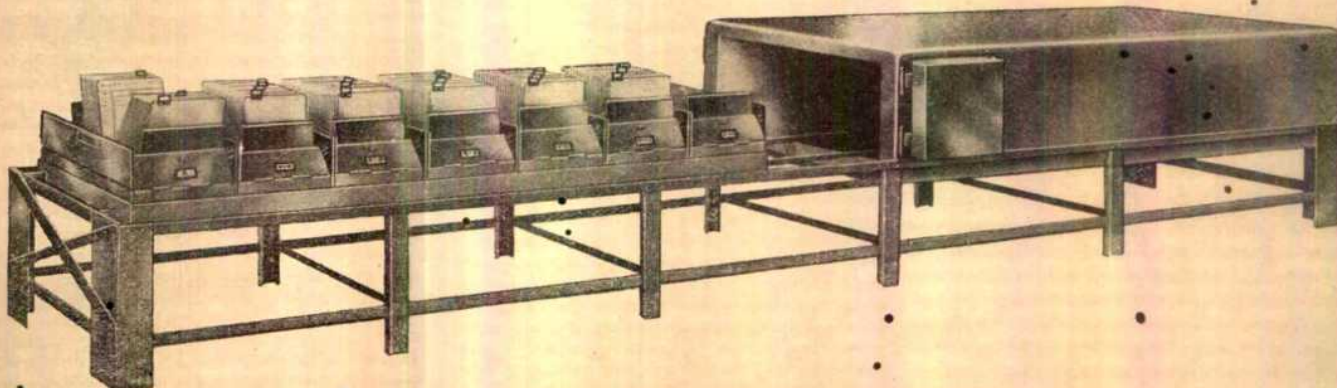
Another executive visited by BUSINESS recently used his loud speaker phone as a means through which to dictate to his secretary. Instead of keeping to the practice which he had used for years, of using an electric bell to summon his secretary into his room, this executive merely "switched on" and spoke straight away to his stenographer.

This plan, obviously, saved time for both these people. The executive did

not have to wait the inevitable minutes needed by the stenographer, perhaps to finish the sentence she was typing, or at least to gather up book and pencil and walk 15 yards or so into her employer's room. The stenographer, on the other hand, could start "taking down" at once in a separate book which she kept immediately ready for this purpose, she did not have even to move from her chair.

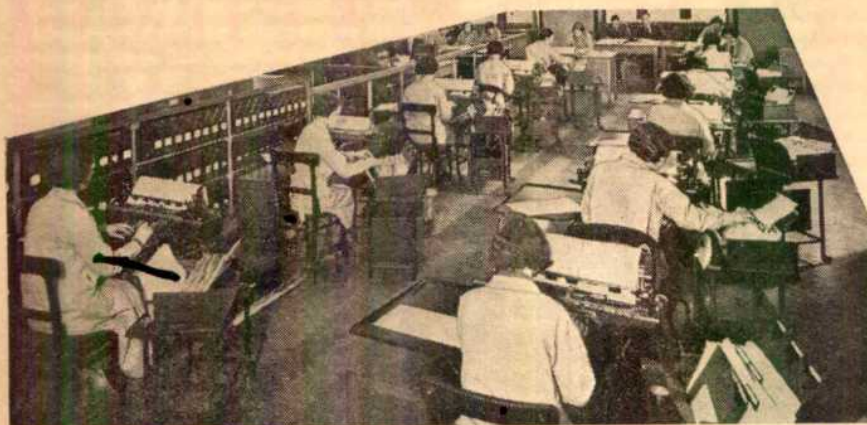
Grievances Settled Quickly

The following notice appears in the large general office of a well known firm:—



This unique type of posting unit is designed to give special advantages in conjunction with mechanized book-keeping. The account trays run on the ball-bearing platform so that the operator can, with a touch of the hand, bring any tray into position without having to move from her seat. "Pulling for posting" is obviated; there is no carrying of trays; the whole of an operator's time is concentrated on posting. After use, the card units run easily back into the fire-protection cabinet at the end and can be instantly locked up.

QUICKER • EASIER • BETTER • Business AT LOWER COST



Look back, in your mind, over the past year. What problems of business organization and planning have you had to face in that time? On how many occasions have you been disappointed or annoyed at some fault or failure in the otherwise smooth running of your business?

Have you been confronted with inaccurate figures, reports too late to be of use, a hitch in a mailing campaign, an order held up, an instruction mislaid . . . anything which at the time caused a certain amount of upset or bother?

Now is a good time to marshal all those problems and troubles and to take them along to the Business Efficiency Exhibition at the Free Trade Hall, Manchester; it is open until October 6th.

Here you will find not only the solution to all your problems but also a hundred new and better ways of doing every kind of business operation conceivable.

Probably the greatest developments shown have taken place in the field of mechanized accountancy. There are single machines: small, compact, fast, which will handle the whole of the accountancy for the small firm. There are machines also for every special phase of accountancy; machines which almost eliminate the human hazard and which are infinitely faster and cheaper than a room full of human calculators.

There are machines which will handle a whole mailing campaign from the printing of the letter-heads and letters to the filling, sealing and franking the envelopes ready for post.

It is an exhibition which will show you how you can cut your costs, speed up your work, increase its accuracy and make life for yourself and all your employees far less fatiguing and more enjoyable.

It shows you how to do better business and at lower cost in every department.

Just a brief outline of what the various stands contain:

If you CAN: go to the Business Efficiency Exhibition at the Free Trade Hall, Manchester.

If you CANNOT: read this outline of what 60 manufacturers have produced in the way of Machines, Systems, and Services to enable you to conduct your business with greater speed, accuracy and HIGHER NET PROFIT.

1 & 2. *Chatwood Safe Co., Ltd.*—Fireproof safe cabinets, and ledger card containers which can be made to fit into present desk scheme, are offered. Fireproof roll-top ledger desk accommodates over 10,000 accounts comfortably and safely. Economy in floor space, efficiency value (one clerk only needed to look after it), and safety margin make it an attractive proposition.

3. *Muldivo Calculating Machine Co., Ltd.*—Mechanical accounting work done by these machines is far more satisfactory than work done by old unmechanized method, for accuracy combined with speed. Wide range of models is shown, including new "Super-Automatic" electric calculating machine. Performs all operations mechanically, and does not need services of a skilled operator. Portable "Barrett" adding, listing, subtracting machines also exhibited. Suitable for accountants and other itinerant business men. Electric and hand models available.

4. *Hayward Company (Addressing Machines), Ltd.*—Besides use for addressing envelopes, "Elliott" addressing machines can be used for work on pay sheets, dividend sheets and warrants, rates books, policies, renewal notices, receipts and many other parts of clerical work. Printing of short messages can also be done on post cards by the Post Card Printer and Addresser. Excellent feature is the visibility of the work.

5. *Halsby & Co., Ltd.*—"Protectograph" cheque writer imprints the actual amount in words in acid-proof, indelible ink, making it unalterable. "Todd" signature machine, for signing cheques, is equally safe and efficient to use.

6 & 19. *Underwood Elliott Fisher, Ltd.*—The full range of "Underwood" typewriters is shown, including a new standard model No. 6, with built-in decimal tabulator. "Underwood" and "Sundstrand" billing and accounting machines, designed primarily for simplicity of operation. "Elliott Fisher" writing and accounting machines have accomplishment unique in accounting machines, of being able to write in a bound book.

7. *International Time Recording Co., Ltd.*—Every possible type of time recorder is shown here. "Recordo-lock" gives a record of opening and shutting of doors. Useful both for strong rooms and for checking up on night watchmen. Publicity ideas given by "Cloisonne" clocks. This stand well worth visiting.

8. *Adrema, Ltd.*—Wide range of addressing and duplicating machines. "Ava" addressing duplicating model can produce 4,000 prints an hour. Plain paper is fed into machine, and letter heading, and signature produced in one operation. Small "Adrett" hand machine of particular interest to business men with small or moderate sized offices who have not sufficient material for a large machine. Performs most of work of big brother with commendable efficiency.

9. *Kaye's Rotaprint Agency, Ltd.*—"Rotaprint" can duplicate, print, make illustrations, without use of stencils or blocks, by substituting a flexible metal sheet on which it is possible to draw, rule, and typewrite. Printing can be done within two minutes. This machine shows exactly how efficient it is possible for office printing to be. Only one operator needed, and simplicity of machine is such that a few hours' training make operator expert. See also announcement on page 31.

10. *Remington Typewriter Co., Ltd.*—Remington adding and accounting machines. Cross accounting machines do all work of vertical adder, and throw up balances in addition. "Cross Balancing" machines designed specially for use in smaller businesses. "Dalton" adding and listing machines also exhibited. All models obtainable both for manual and electrical operation.

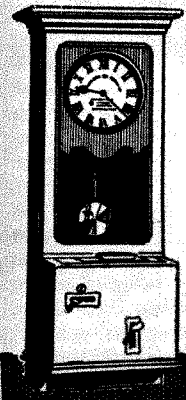
11 & 11a. *Library Bureau, Ltd.*—Fireproof office furniture of all sorts. A recent public test showed that Library Bureau safe cabinets can be heated to almost 2,000 degrees, without interior being in any way affected. This stand important for men interested in record preservation. "Kardex", on Stand 11a, provides a highly efficient management system, specializing in cost cutting and prevention of waste. See also announcement on page 40.

12. *National Loose Leaf Co., Ltd.*—Visible records, and loose leaf ledgers are shown. A number of special orders executed for famous firms for improved catalogues or salesmen's portfolios show versatility of these systems.

14 & 31. *Block & Anderson, Ltd.*—
(Continued on page 40)

TRY THIS TRADE TONIC

—and stop wastage at starting and stopping times. Trade is gathering momentum—but the busy period will be lost to you if unproductive minutes neutralize your efforts by robbing you of your profit. The 'G.B.' System is your safeguard.



Write for details and catalogue.

BRITISH THROUGHOUT

**GLEDHILL-BROOK
TIME RECORDERS LTD**

38 Empire Works, HUDDERSFIELD

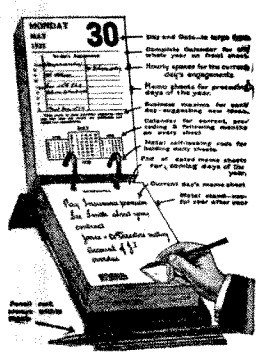
GLEDHILL-BROOK

The Advertising Novelty that

REALLY DOES ADVERTISE

All the Year Round

—because "System" Desk Calendars, with your business announcement printed prominently but unobtrusively on each Daily Sheet, will keep your goods or service before the notice of customers or prospective customers every hour of every working day throughout the whole year. Being of exceptional utility, they are assured of preservation and regular use, and as they command more frequent reference than any other article of desk equipment they constitute the best form of continuous publicity at a minimum cost.



Without obligation Fill in and Post the coupon below and you will receive a quotation that will be agreeably surprising.

To: **SHAW PUBLISHING Co., Ltd.,**
6, Carmelite St., London, E.C.4.

Without incurring any obligation I would like to have your quotation for.....System Desk Calendars for advertising purposes.

Name.....

Address.....



One of the transcribing departments at I.C.I. Headquarters at Millbank.

With ramifications extending to the four

corners of the earth **IMPERIAL CHEMICAL INDUSTRIES Ltd.** require speed and efficiency of a very high order from their correspondence departments. An equipment of over 100 EDIPHONES at some of their provincial centres and at the Head Office at Millbank is their method of ensuring instant readiness to meet every demand.

Technical advances in the design of the **PRO-TECHNIC** Ediphone include a new recording unit of unsurpassably lifelike tone and several other features of practical improvement.

Write for full particulars to—

THOMAS A. EDISON LTD.

Victoria House, Southampton Row, London, W.C.1

Branches and Dealers in all Principal Cities

Pro-technic

Ediphone

Balanced Voice-Writing

WHAT do YOU require of OFFICE EQUIPMENT?

- Efficiency** - Equipment built on scientific lines to assist output of users? Trouble-proof, easy running drawers?
- Economy** - In both initial and upkeep costs?
Planned for economy in floor space, i.e. rent?
- Character** - In line with the modern trend?
In executive designs—that built-to-measure look?
In General Office patterns—neat, tidy, work-assisting?

Send for **THE PROFITABLE OFFICE** and read how Shannon Standardized Office Equipment will give you these advantages and provide the basis of a **SYSTEM** that will pay big dividends. Send your card to-day marked **THE PROFITABLE OFFICE**—Free to Principals.

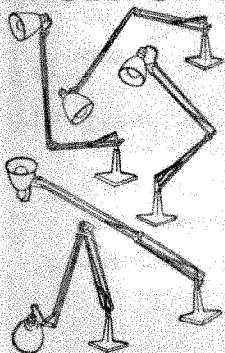
THE Shannon
LIMITED

Standardized Office Equipment

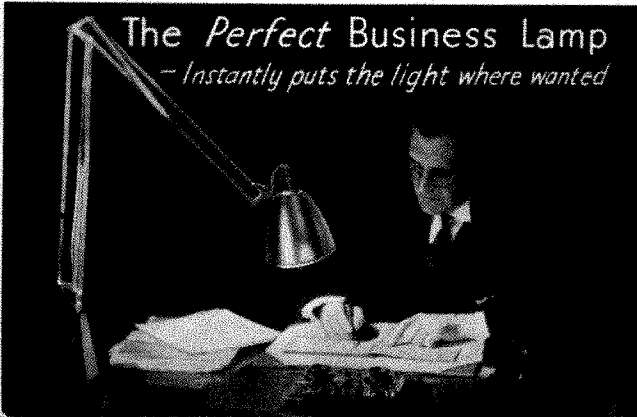
IMPERIAL HOUSE, 15-19 KINGSWAY, W.C.2

Birmingham, Bristol, Glasgow, Liverpool, Manchester, Newcastle-on-Tyne and Cairo (Egypt).

See what you can
do with the
ANGLEPOISE



**TERRY'S
ANGLEPOISE
LAMP**



No ordinary adjustable lamp—an extraordinarily, instantaneously efficient lamp. The ANGLEPOISE holds a thousand and one positions without deviating in the slightest.

It assumes any required position within 3ft. 6in. radius or 7ft. circle—without drooping or "flopping".

Makes a 20-watt bulb work harder than a 60—think of the saving!

It is amazing what the ANGLEPOISE does—you can twist it this way and that, sideways, slantways, upside down (for diffusing)—all the time throwing a powerful beam.

Ideal for reading, writing, tracing, etc. Indispensable in garage, workshop, office, laboratory. Good-looking, too, with solid base polished black. All fittings finest possible quality. Chromium-plated steel arms. 84/-. Dull black finish £3.3.0 (carr. paid U.K.). Also models to fix to wall or table. May we send List?

HERBERT TERRY & SONS LTD., REDDITCH

**BURROUGHS LEDGER POSTING MACHINE
BURROUGHS 1 COLUMN DUPLEX MACHINE
MONROE CALCULATOR**

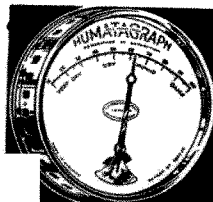
All Electrically driven. Only very slightly used

FOR SALE

UNEX

Limited

19, HOLBORN VIADUCT, LONDON, E.C.1.
Tel. No. City 4083



HUMATAGRAPH

(Hygrometer)

Indicates the humidity of the air with scientific accuracy. Models for the home and industrial purposes. Matt Black 25/-; Chromium plated 28/-; Pocket model in case 14/6

C. L. BURDICK MFG. CO.,
40-44, Holborn Viaduct, London, E.C.1

Calculating Machines Aid Accuracy

(Continued from page 33)

Thus the machine method enables the sales day book of ordinary accounting to be entirely dispensed with.

How Sales are Dissected

The ledger docket has printed on a wide strip at the foot a number of squares each with an abbreviated title corresponding to one section of the sales analysis.

The dissection clerks take these dockets and with practised ease mentally classify the items by sections, transferring the selling price shown against each item to its appropriate square.

The calculating machine operators then take the dockets in batches of about 100 and rapidly run through, taking off the figures from each successive square. As they go they note the totals on a suitably ruled analysis sheet. As a check, they cast the totals from the dockets and agree the figure thus obtained with a cross cast of the analysis sheet entries. Thus, any error is localized and involves at most a repetition of the work on one hundred dockets only.

By breaking down the very large number of dockets to be handled daily and the elaborate dissection in this way, the utmost speed is attained with accurate working; whilst the machine system is as simple as it well could be.

General Purpose Uses for the Machines

Another very interesting operation is carried through upon the same machines—that of charging the inter-departmental transfer of goods.

When, as in this case, a great variety of items in all stages from the raw material to the finished goods is carried in stock, the inter-departmental transfers are bound to assume considerable proportions.

Actually, some 2,000 transfers take place each month and these are dealt with for stock control purposes by means of internal transfer dockets. In this case, however, the prices extended are, of course, cost prices to the department concerned. The extension work is carried out and checked in similar fashion to that on the invoices and as a result the stock records are free from any error from this source.

In addition to this principal function, many small arithmetical operations are carried out on the machines and they are regarded as the prime safeguard against inaccuracy. All statistical figures undergo a final

(Continued on next page)

check upon the machines before they are allowed to go forward as a basis for action.

The Results Summed-Up

This survey of an intricate system is necessarily in outline because only sufficient has been given to enable the place of these machines in the general organization to be adequately summed up. That the function of speedy and accurate computing has more than superficial value is obvious, however, when we consider the volume to be handled and the intricacy of the work.

The first cost of the machine is moderate; the operating personnel is not expensive in comparison to the size of the business and the system has the merit of simplicity and ease of control, for the operators can at all times check their work as they go.

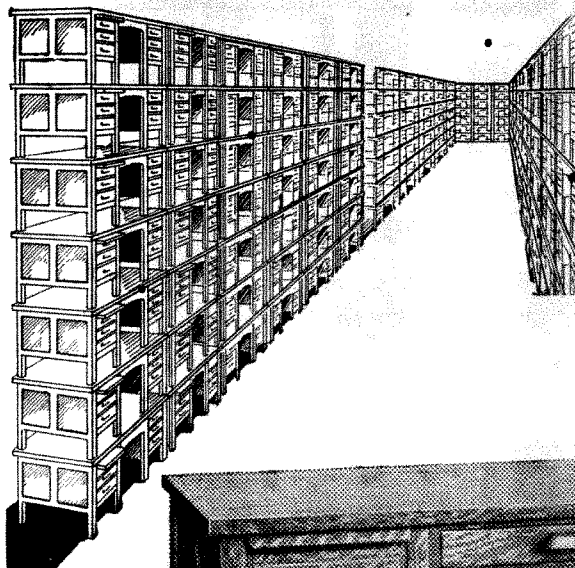
In fact, one would be hard put to it to suggest any mechanized system that could perform the work detailed at so little expenditure.

Our Main Competitor Doubled Our Trade

(Continued from page 8)

are employed directly by the firm, but they work in close conjunction with the electrical contractors. When service is required the customer usually gets into touch with the agent, who then sends the firm's expert out to attend to the matter. A report is then made both to the firm and to the agent, so that if a large renewal is necessary it can be supplied *via* the agent, and if a small adjustment or repair is necessary it can be made immediately.

All this helps to maintain a permanent service. With such a product as a lighting plant customers must never be allowed to suffer a fault for a moment longer than is necessary. It is because the firm has kept the percentage of failures so small that it has been able to sell such a high volume. All its activities are bent on making an efficient lighting plant, and keeping it efficient. The efficiency which Listers have obtained is such that the factory devoted to the production of this lighting equipment is 50% larger than it was a year ago, and there are still further expansions planned for the near future.



SPECIFICATION

3 sizes—see below.

2 Pedestals, 6 drawers (including centre) with automatic control locks, and deep filing drawer.

Real OAK

Dovetailed, Screwed & Bolted throughout. Tops core-laminated and non-warpable. 2 Extension flaps. Fully panelled back. The whole beautifully polished. • Handles screwed, locks mortised, drawer fronts panelled. 5 years guaranteed.

Stored free if desired.
WE PAY CARRIAGE!



Surface 49in. x 30in.
£6.0.0

or 54in. x 31in.

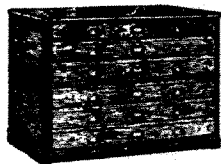
only £6.6.0

(A few 60in. x 31in.
£7.5.0)

These desks can be dismantled and re-erected.

N.B.—A few only of these desks are fitted with modern flat roll-tops at £3.5.0 extra in each size.

High Grade
460 Desks at £6 each!
(Normally £11.18.6) Delivered to your door, Carriage Free!



30 only OAK plan chests
42 x 29 Clearing at £7.17.6
54 x 32 £11.17.6

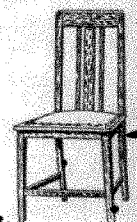
NEVER have such marvellous value, fine Oak Desks been offered at the price! The lot we bought from a maker who had to sell at one-third the proper figure. They are now crowding our warehouse, and the first two hundred must clear at only £6 each!

Seize this chance . . . ACT

NOW—you risk nothing. The timber alone in the desks is worth the price. If you are sceptical we will send any approved customer a desk on 7 DAYS' FREE TRIAL!—Judge for yourself!

Also ask for our sale list of *Chairs, Cabinets and Desks* of all sizes and types. But in any case do NOT miss the £6 desk offer. ACT NOW!

Your address scribbled across this advertisement will bring our sale list at once.



STOP PRESS!
Amazing offer of
1,500 SOLID
OAK Chairs
Upholstered seat
etc. • Worth 22/6
Clearing
at 10/6
Suitable for
office or home.
Act Now!

OSDA LTD: 'Desk Headquarters' City 3313 (4 lines)
54 OLD BAILEY, LONDON, E.C.4

Branch Showrooms: 16, St. Mary's Parsonage, MANCHESTER (Blackfriars 6345)
622, Royal Liver Buildings, LIVERPOOL (Bank 4112)

Price edged Trading is a thing of the past

Competition is going to be keener in the future than it has ever been—but it will not be a competition based on price. It will be a competition of planning, of merchandising ideas and abilities with other merchandising ideas and capacities.

This new era demands new methods. Merchandising ideas will not end with a good slogan or a compelling pack. More and more merchandising ideas will spring from facts—the facts of consumer demand—the facts of distribution outlets, and the facts of past and current performance with those outlets.

There are but THREE WAYS TO INCREASE SALES and these three ways are explained in a folder we have prepared in collaboration with many of the keenest men on the marketing side of industry. Hundreds of well-known firms in this country are prosecuting a more inspired, more vigorous and more profitable sales policy after adopting this new basis.

Write to-day for your copy of this folder—the coupon below is for your convenience.

KARDEX

MADE IN ENGLAND

To Kardex Business Development Bureau, 1 Leadenhall Street,
London, E.C.3. Tel. Monument 3921

FREE Please send without obligation your folder
THREE WAYS TO INCREASE SALES

Firm.....

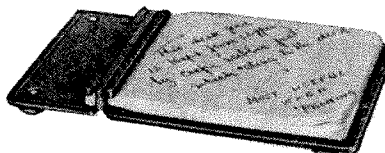
Address.....

Business.....

Executive..... Position.....

B.10.

**ADVERTISING GIFTS OF
GREAT ORIGINALITY**



The "Calendox" perpetual date-cancelling calendar **REQUIRES NO REFILLS.**

The "Calendox" Non-Skid Desk Pad does not slip on a smooth surface.

Either article can be Gold Blocked with your name which makes a telling advertisement.

CALENDOK LTD.
91, PETTY FRANCE, LONDON, S.W.1

BETTER BUSINESS AT LOWER COST

(Continued from page 36)

"Ormig" rotary reproducing machines, among best known of their kind, can produce copies of material in several colours at one operation. Book-keeping machine, working on same reproducing principle, and "Simplex" machine for use on pay envelopes, factory tags, work labels, etc., are exhibited. Additions to range of famous "Brunsviga", "Mercedes", "Victor" adding machines. A portable electrically-operated "Victor" model is particularly interesting. This firm also shows a wide and very comprehensive range of mail room equipment. The "Poko" machine entirely eliminates the use of loose stamps. A stand of outstanding interest.

15. *Powers-Samas Accounting Machines, Ltd.*—Machines constructed specially for sorting and tabulating of business records of every sort. Can deal with general or cost accounting work of any organization, as well as with the statistical work. "Powers-Four", a special battery of automatic accounting and statistical machinery, is designed for the small or medium-sized business.

16. *National Cash Register Co., Ltd.*—Mechanical accounting, book-keeping, and cash register machines made by this firm are used widely by large business houses, municipal offices and public utility companies. There is a wide range of systems, for use in small businesses as well as large organizations.

17. *Dictaphone Co., Ltd.*—Over 250,000 Dictaphones are now in use, and the number is rightly increasing, because of efficiency, and saving of time and energy which it brings. Streamline model 12 is star exhibit. Mechanical parts are shielded from dust. Simple to operate. Exactly doubles a typist's output. This instrument is more and more becoming a recognized tool of business control. See also announcement on page 1.

18. *L. C. Smith & Corona Typewriters, Ltd.*—Both the standard and the portable model are known the world over; they have the "Floating Smith Shift" and the "Piano Key Action". Feature of standard model is its ability to do half-spacing. The "Maxispeed" addresser is an efficient continuous stationery fitting to the typewriter. The "Cartonia" indicator system is an ingenious provision to prevent undue interruptions of busy executives, and waste of time generally. Every business man would be well advised to examine it. An improved "Marchant" calculating machine is also on show.

20 & 25. *Addressograph-Multigraph, Ltd.*—Addressing and duplicating machines for all purposes. Cabinet for filing the plates used for addressing, with special water and fire-resisting properties is exhibited. The "Multilith" is an office litho-printing machine, admirably simple to use.

21. *Bar-lock (1925) Co.*—Fine range of standard and portable typewriters; new key-lever action increases the speed of the machine. Special attachment also on view for columnar work and invoicing. Steel office furniture and equipment is offered; specially noteworthy is the filing cabinet with new compressor for keeping contents upright, and secret locking device for keeping them safe.

22. *G. H. Gledhill & Sons, Ltd.*—Cash registers, for every purpose, both in offices and in retail stores, are offered. The range is worth close examination. "Total-Adding Receipt-Issuing Model" is unusually

comprehensive in its functions. See also announcement on page 43.

23. *Universal Postal Frankers Ltd.*—Manually or electrically operated, the "Universal" and "Pitney-Bowes" franking machines can deal with up to 15,000 letters per hour. The "Midget", for use in the smaller businesses, prints any denomination of postage in one impression.

24. *"Bizada", "Sepial" and "Clipdex" Visible Equipment.*—Systems for card visible indexing of all records, with a distinctive system of signals. This system of particular interest to dealers in hire-purchase work. Examine it. See also announcement on page 32.

26. *British Tabulating Machine Co., Ltd.*—The "Hollerith" electrical tabulating and sorting machines perform statistical duties with a speed and accuracy vastly superior to hand methods. Firms not wishing to purchase a machine can have work done on a service basis.

27. *Thomas A. Edison, Ltd.*—Redesigned, dust-proof, "Pro-Technic" Ediphone is a most useful piece of office equipment. New recording unit increases efficiency many times over; pleasant to look at; harmonizes with any office. New "Executive" Ediphone similar to above, though not so sumptuously appointed. Has nine new features, each of them increasing efficiency. See also announcement on page 37.

28. *Addressall Machine Co.*—Star point about these machines is the use of "Indexograph" combined index and stencil, on a wide range of machines suitable for businesses of every size. No director who does bulk mailings can afford to disregard this stand. See also announcement on page 32.

29. *Felt & Tarrant, Ltd.*—"Controlled-Key" Comptometers in nine different sizes provide models for all types of businesses. Visible evidence of the time and money-saving properties of the machines is produced. Staff trained by the manufacturers is sent to customers free of charge, and customers' own staff can then be trained.

30. *Imperial Typewriter Co., Ltd.*—Keyboard of standard, British built model 50, can be changed in a few seconds for one with another style of type or another language. Portable "Imperial Good Companion" model is a miniature reproduction of standard model 50. Light in weight and strongly constructed, it is invaluable for salesmen or travellers.

32. *Percy Jones (Twinlock), Ltd.*—Loose leaf books are now a recognized part of modern office equipment; here are 49 different "Twinlock" models. Accounting machine equipment and compact visible record loose-leaf equipment are also shown.

33. *Dictograph Telephones, Ltd.*—Value of intra-office telephone systems is now universally recognized. "Dictograph" system has a master station and sub-stations of various types, making immediate conferences of executives possible. Elsewhere in BUSINESS is a report of one business man who has saved real money by an intra-office telephone system; read it, then look at this exhibit. See also announcement on page 43.

34. *Ellans Duplicator Company, Ltd.*—Specially interesting is the M 10 electrically driven, fully automatic rotary duplicator with single lever control. Speed can be gradually increased from 60 copies per minute to maximum of 110 per minute. A device for two-colour printing is also exhibited. Width of range is indicated by prices, varying from 45s. to 85 guineas.

35. *New Era, Time & Telephone Systems*—Inter-departmental telephones with synchronized time and signalling devices.

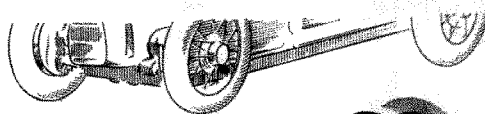
(Continued on page 43)

25% SAVING

ON TYPEWRITER RIBBON COSTS

YOU DON'T BUY WHEELS EACH TIME YOU FIT NEW TYRES. WHY THROW AWAY TYPEWRITER RIBBON SPOOLS EACH TIME YOU FIT A RIBBON?

Used typewriter ribbon spools represent about one quarter of the cost of typewriter ribbons



● This offer is made in order that the experiment may be well worth your while—it cannot be duplicated to any one firm. Special rates to large buyers. Write for 24pp. booklet.



SPECIAL OFFER!

Two first-class products at the price of one. Two RIKARBON Superfine Typewriter Ribbons and one hundred sheets of high-grade RIKARBON Typewriter Carbon Paper at the special price of only 7/6 post free—and satisfaction unconditionally guaranteed. Here is an opportunity you should not miss. We are making this offer, for a limited period only, to introduce to more business houses the popular RIKARBON Typewriter Ribbons and Carbons. Please post your order with remittance.

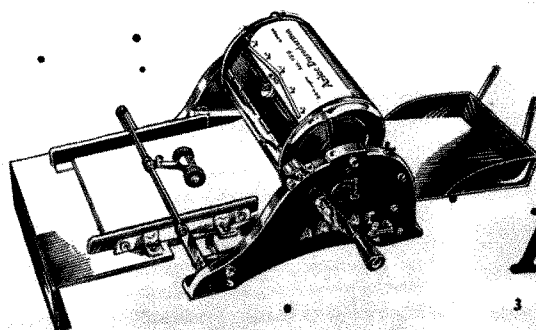
RIKARBON

28 VICTORIA STREET
LONDON, S.W.1

Telephone VIC. 9488

INSIST ON INSTALLING AN

Arlac Sixty Autoprint Rotary Duplicator



All Automatic

Write for particulars, also for other models

ARLAC

DUPLICATOR CO. LTD.
3 ST. PAUL'S CHURCHYARD, E.C.4
City 3867

THE USES OF THE "LANGAPRES"

OFFICE & FACTORY Printing Machines

ARE SO NUMEROUS THAT
ONLY A DEMONSTRATION
WILL EXPLAIN THEM

THE FOLLOWING FIRMS USE THEM
FOR UTILITY AND PROFIT

During the past few weeks machines have been supplied to—

United Potash Co., Ltd.; W. & R. Balston, Ltd.;
Clark's Cream Barley; C. T. Skelton & Co., Ltd.;
Automobile Association; Ferodo, Ltd.; Tubbs, Lewis
& Co., Ltd.; Joseph Lucas, Ltd.; Kynoch, Ltd.;
Ever Ready (G.B.), Ltd.; Hayward & Son, Ltd.;
Standard Essence Co., Ltd.; Austin Edwards, Ltd.;
Paripan, Ltd.; Cropper, Charlton & Co., Ltd.; Stan-
dard Soap Co., Ltd.; W. Hollins & Co., Ltd.; Tecale-
mit, Ltd.; J. C. & J. Field, Ltd.; Sutton & Sons,
Ltd.; Igna Engineering Co., Ltd.; Callard & Bowser,
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FLOORS

... THAT REDUCE YOUR COSTS

By A. J. COLEMAN

No part of an office or factory is subject to such continuous wear and tear as the floor. Consequently, to a greater extent even than lighting, the factor of flooring has to be considered in the overhead costs. Flooring, therefore, just as lighting, heating and ventilating, has become the study of experts, who have examined the subject from all possible angles so as to place their knowledge at the disposal of floor users.

A Floor Should Answer These Requirements

• Taking flooring in general, flooring for both offices and works, there are certain definite things which it must do.

1. It must have as long a life as possible no matter to what amount of wear it is subjected.
2. It must be easy and inexpensive to repair so that there is no excuse for leaving worn patches which cause accidents.
3. It must deaden noise. Unnecessary noise is nerve-racking and militates against efficient work.
4. It should be of such a nature as to be as warm as possible in winter.
5. It must be hygienic and easy to clean.

For offices, one of the best types of flooring to use is plain, humble linoleum over a cement covered floor. When we think of the cracks and bulges which are often seen on well-used linoleum covered floors we are apt to doubt this.

With no intervening shock absorber, the linoleum has to fit itself to all the irregularities of the floor. It expands, cracks and bulges where there are small pockets of air; it is washed with soap and water, and the water permeates through the seams, rotting the underside of the linoleum and sometimes the floor as well.

The modern method to overcome these drawbacks and to make the linoleum covering one of the most efficient on the market to-day, is to place a shock absorber between the cement floor and the linoleum. This usually takes the form of a thick pad of felt entirely covering the floor.

Owing to the nature of the felt, any minor irregularities in the cement flooring are filled up, so that within reason a level floor is assured. The felt also acts as a buffer against excessive expansion and contraction, and the annoying necessity for cutting the edges of the linoleum after it has been down for a short time is obviated. The felt pad also eliminates noise.

If a linoleum floor is properly cleaned the danger of slipping is very small. A linoleum floor should never be cleaned with soap and water, nor with wax, for

the wax does not always permeate the porous surface; it stays on the top forming a dangerously slippery film. Cleaning materials are now on the market which are partially absorbed into the porous surface of the linoleum, and give the actual surface a polish.

Rubber flooring for offices is also favoured by many business men. Rubber has the quality of eliminating noise almost entirely. It has, in addition, very long life and is easy to clean. It is, however, comparatively high in first cost.

Some users prefer to use floors of wood blocks, usually of maple or oak. These floors, while they have a fine appearance, absolutely demand careful inspection from time to time as unevenness in individual blocks is a frequent cause of bad accidents. This type of flooring, though easy to keep in repair, is not cheap in first cost. It is, too, noisy, and inclined to be cold.

Mechanical Cleaning Cheapest and Best

The factor of efficient floor cleaning is important from the hygienic point of view and from the point of overhead costs. In floor cleaning, as in most other routine jobs, hand methods have been replaced by machines which will do the work far better, quicker and cheaper.

There is now available a combination floor scrubbing and drying machine with which one operator can, without fatigue of stooping, effectively scrub and dry a floor at the rate of a strip 21 inches wide and 100 feet long *per minute*. And in the process, all personal contact with dirt, water or soap is entirely avoided; the machine is quite self-contained.

Machines are also available for waxing and polishing, at a speed which it would take a whole army of manual cleaners to approach.

For warehouse floors and goods yards a patented iron flooring is rapidly becoming popular. It has extraordinary long life, is fireproof, and, with modern rubber-tyred traffic, is not noisy. It has a particular non-slip surface. Incidentally, the newly-opened Mersey Tunnel roadway is of this material.

All business men who contemplate erecting new premises or reconditioning existing ones should consider carefully beforehand this problem of flooring. The golden advice is—consult the experts. The cost may be a little higher at first, but in the long run the increased initial outlay will be amply justified in the subsequent saving of time lost through accidents, through repairs, and in the increase of staff efficiency. These economies are difficult to measure in terms of hard cash, but no business man will deny that they can be made.

BETTER BUSINESS AT LOWER COST

(Continued from page 41)

Two systems: one for smaller firms, other for larger ones.

36. *Vick, Ashworth & Co., Ltd.*—A comprehensive range of loose-leaf books, multiple forms, and filing systems for the modern office. A range of office stationery is also shown.

36a. *Art Metal Construction Co.*—The metal desks, filing cabinets and general office equipment here exhibited are hygienic, safe, easy to use, and satisfactory in appearance. This steel furniture has fire-resisting properties which make it really important from the business-man's point of view.

38, 39 & 40. *Copeland, Chatterson Co., Ltd.*—This fine range of the most modern developments in loose-leaf ledgers and visible index equipment deserves the attention of every visitor. World famous "Cope-Chat" fire files, have stood up well to the rigorous tests applied to them. The hand-operated, punched card system is inexpensive, and should appeal to all who want analyses made without employing heavy machinery. Efficient before and after sales service maintained by the firm.

41. *Gledhill-Brook Time Recorders, Ltd.*—"Punctuality is the soul of business". This equipment helps to ensure it. Cuts cost by assuring that only hours worked are paid for. The "Clipper Recorder" is designed for time recording and/or job costing. Of prime interest to cost accountants and works managers. "Facsimio" machines on stand 41a save overheads by printing office forms of all sizes from smallest labels to forms 18ins. by 36ins. Admirably fills the gap between typewriters and office duplicating machines. See also announcement on page 37.

42. *Carbon Paper Supply Co., Ltd.*—All sundries for typewriting are shown here. "Clecarbo" stencils are of particular interest.

43. *Lamson Paragon Supply Co., Ltd.*—The continuous stationery exhibited here saves a good deal of typist's time. It can also be used for handwritten dockets.

44 & 45. *Lion Company, Ltd.*—The well-known range of "Lion" typewriting sundries is here exhibited as well as the "Lion Duplicators" and "Menucators". New self-feeding rotary duplicator can print up to 10,000 copies of menus, class forms, etc., at speed.

46. *Gilbert Wood (Arithmetical Machines) Ltd.*—A long range of calculating machines, including the "Plus" Rapid Adding Machine. This has only five keys in each column. Expert advice is given on all business problems involving calculations. See also announcement on page 4.

47. *Columbia Ribbon and Carbon Manufacturing Co., Ltd.*—"Classic" and "Rainbow" typewriter ribbons; carbons in five colours. "Nonstick" pencil carbons give 200 copies from each sheet.

48. *Kalamazoo, Ltd.*—Justly famous range of guaranteed loose-leaf books and binders. New "Double Fast", designed specially for machine accounting, can be converted quickly into a card ledger. Admirably compact. In the "Kalamazoo Strip Index" 9,000 items can be kept in one sequence; 220 fully visible at one time. This stand is worth everyone's attention. See also announcement on page 19.

49. *Reliance Telephone Co., Ltd.*—Inter-departmental telephone systems for use in large and small buildings are exhibited. "G.E.C." automatic exchanges are designed to make it possible to locate any person quickly in whatever part of the

(Continued on page 45)

AN ASSET TO ANY BUSINESS



During those rush moments when you require to be in ten places at once, that is when the DICTOGRAPH system of house telephones will prove your most helpful, rapid and efficient "assistant." Not only then, but at all times this unique instrument will truly be an asset to your organization.

**INTERCOMMUNICATING—
AUTOMATIC LOUD-SPEAK-
ING—The Dictograph Tele-
phone System enables you—
as Principal—by the merest
flick of the key—to**

1. Get through instantly to any departmental member of your organization, without turning a dial, calling Exchange, holding an ear-piece, or speaking into an insanitary mouthpiece.

2. Talk naturally to him, without raising your voice and without moving from your seat or even from your usual attitude.

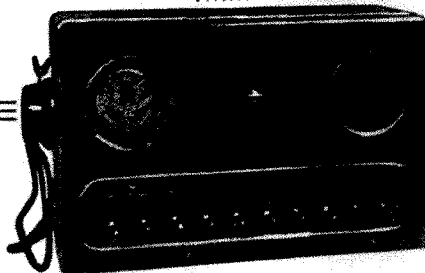
3. Hold a Conference between several of your departmental "heads" without anyone leaving his department "leaderless".

4. Hear their replies aloud through a loudspeaker as distinctly as if they were standing at your side. If you wish your replies to be for your own ear only, an earpiece is provided.

5. Retain both hands free to write or hold papers whilst you talk, or even walk about the room or dictate your letters.

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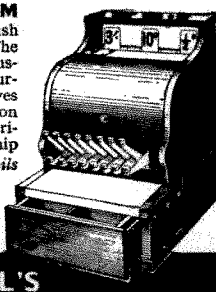
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Why not drop a postcard enquiry to

**The General Secretary
PITMASTON
BIRMINGHAM 13**

THE CANTEEN As Sound Business

(Continued from page 27)

thought. Some firms send round the works in the morning to ascertain the choice of dishes, but, generally speaking, it is better to operate on restaurant lines and allow operatives to choose at lunch time. The simplest cash system is a fixed price lunch with tickets of this value on sale at the door. The tickets are exchanged at the servery.

In this connection, much time can be saved to the employees by the use of automatic ticket issuing machines. Workers do not want to waste any of their lunch time waiting in queues before a girl in a pay desk. The ticket issuing machines permit this to be avoided; also, they are more efficient and accurate guardians of the cash than their much slower human counterpart.

CHARTS TELL YOUR BUSINESS STORY

(Continued from page 13)

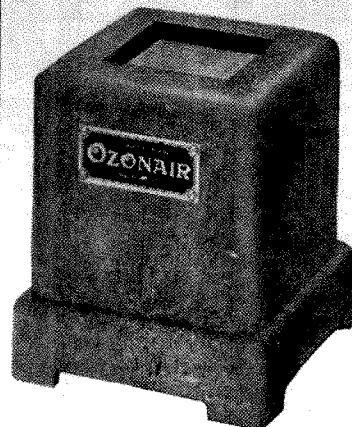
searching all the while to plan economies. To him, up-to-date information is everything and that raises a very big question to be solved in the control methods of every business.

How to Use 'Accounting' and 'Operating' Records

Certain kinds of information can be obtained really red-hot providing there are the necessary facilities. For example, with statistical machinery the sales figures can be analysed daily in the most complicated business. But when it comes to groups of expense accounts, there are outside factors to be considered. Suppliers' invoices must be awaited, various adjustments have to be made, and other time-consuming barriers stand between the incurring and the recording of the expense.

Thus two types of records become necessary which may be described as accounting and operating. The accounting records will be used for trend information, for the study of the general development of the business is not seriously affected by a difference of six weeks. The operating records designed to check expenditure must be close to the event to be effective. That nearly always means making estimates. Analysis of the individual business will alone show which are the cardinal features to be watched and the degree to which estimating can be carried.

In the main, the big decisions resulting in changes of policy come as a result of the study of the long term trend information, but it is the constant daily watch over all the detail which produces healthy trends. It should be the purpose of the Operating Manager to avoid the desperate attacks and wholesale slaughter, so disturbing to an organization, in favour of steady and persistent pruning.



Type 128

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From £4 15s. 0d.

All Problems of AIR PURIFICATION,
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VENTEX AIR FILTER
cleans the air to the point of sterilisation.

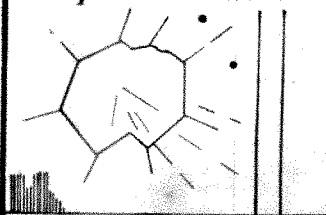
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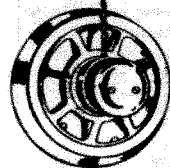
Simple ventilation



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THE WYNDO FAN

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building he may be, or to issue instructions to all departments. The larger the organisation the more use the system is.

50, 51, 52 & 53. *Burroughs Adding Machine, Ltd.*—Every conceivable mechanical aid to accounting and office work is here exhibited. The range is too well known to need comment, but the new "Electric Carriage" typewriter, designed to make typing easier by eliminating necessity for hand-shifting of carriage and capitals is a real addition to this remarkable range of products. The correct posture chairs are also worth close examination. See also announcement on page 32.

54. *K. H. Michaelis & Co., Ltd.*—"Roto" and "Speedo" duplicators work either manually or by electricity. Copies can be run off at 90-100 per minute. Electric "Roto" machine folds 5,000 to 6,000 statements per hour.

55. *Tan Sad Chair Co. (1931) Ltd.*—Every sort of office chairs; minimize physical fatigue by promoting a correct posture, thereby increasing efficiency. This equipment is among the most important in business. Experts are at hand to explain it.

56. *Cosmos Typewriting Co., Ltd.*—Standard and portable "Olympia" models built on aluminium frames to ensure lightness. Vertical Tabulator Model is designed specially for invoicing at speed.

57 & 58. *Fanfold Ltd.*—"Speedoform" continuous stationery can now be used on practically any typewriter or billing machine, increasing typists' efficiency by one-third. Autographic registers for use when a copy-control of hand-written records is required are also shown. Look at the demonstrations carefully; you may see a money-saver here for your own problems. See also announcement on page 2.

59. *D. Gestetner, Ltd.*—Guaranteed manual and electric duplicating machines, with self-adjusting grip to suit various thickness of paper, stop automatically when required number of copies has been printed. Speed can be regulated to suit style of work in progress.

60. *Moore's Modern Methods Ltd.*—"Nimblex" visible loose-leaf book and "Moore-speed" loose-leaf book for machine accounting are two examples of a wide and durable range of office aids. See also the improved binder which eliminates all exposed rivets.

61. *Woodstock Typewriting Agency.*—Thirty-six special features making the "Woodstock" machine particularly useful for office use are enumerated by the makers. A generous free trial is offered to anyone interested.

62. *Egry Ltd.*—Continuous stationery cuts time wastage in interleaving carbons by hand. "Speed-Feed" attachment enables any typewriter to be converted into a billing machine. "Egry" cash register is also shown. See also announcement on page 4.

63. *C. W. Cave & Co., Ltd.*—"Elca" statistical machine and "Seca" visible machine posting tray are valuable additions to any office equipment. "Cavedex" indexing system and "Visi-Alpha" filing system are also exhibited.

64. *Lang Clayden, Ltd.*—"Langapres" portable office printing machines do all the little jobs which make printing costs mount so seriously. Initial prices are low, and operation costs are nominal. No business man who does any office printing can afford to overlook this stand. See also announcement on page 42.

65. *Tollit & Harvey, Ltd.*—"Guildhall" series of analysis books are ruled in 300 different styles. "New Sterling" series designed to meet every accounting need. The "Flyleaf" binder is also on view.



A Lamson Tube Terminal in Insurance Company's Office

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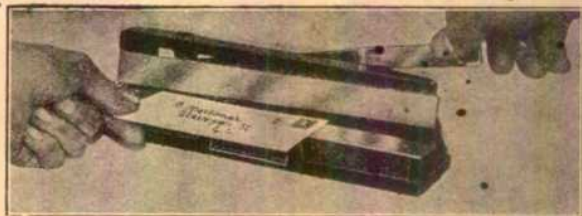
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**SPECIALISTS in THE ART
OF GOOD PRINTING**

**HIGH-CLASS
CATALOGUE, COLOUR
& COMMERCIAL WORK**

LIGHTING as a Profit Earner

(Continued from page 24)

1. For general offices, drawing offices and showrooms. Here improvement are just as possible with properly designed lighting. My strong advice is: call in the expert. A very brief survey will enable



The floodlighting of yards, dumps, sidings, etc., not only prevents accidents, but also practically eliminates theft and pilferage of unprotected stores. Light, even more than audible alarms, is the enemy of the pilferer.

*By Courtesy of Siemens
Electric Lamps and
Supplies Ltd.*

diffusing units or standard dispersive reflectors in conjunction with opal bulbs of adequate power. These give a soft, clear light of from 10 to 25 foot-candles without appreciable shadows.

2. For manufacturing shops: (a) general lighting with comparatively high power units (100 to 300 watts) well spaced, at least 10 feet from the floor, with dispersive reflectors which prevent rays from the actual sources of light entering the eyes of workers;

- (b) localized lighting. The localized lighting is the same in principle as general lighting except that the units (there are many special types) are placed with respect to individual machines or benches;
- (c) combined general and local lighting. Here the general lighting should be such as to light the shop evenly to the extent of about 9-foot candles, with the local lighting of an intensity to suit individual requirements.

In localized lighting great care should be taken to avoid glare in the worker's eyes.

While on the subject of localized lighting, I must stress that only in exceptional cases should it be used alone. In nearly every case general lighting, if only to a small extent, should also be used.

The reason is that a worker who suddenly leaves a bench or machine well lit with a local unit meets the comparative darkness of an otherwise unlit shop, his temporary "blindness" may lead him to a serious accident.

It is safe to say that, while the majority of modern factories are fairly well illuminated, when it comes to offices the proportion is not nearly so high. Yet in offices the economies and work-

him to tell if your lighting is giving anything like profitable efficiency. If it is not, he can improve it for you at very little cost.

A special booklet dealing in detail with the subjects of lighting is issued by the Lighting Service Bureau. Business men can get many ideas from it.

SALES AND PRODUCTION

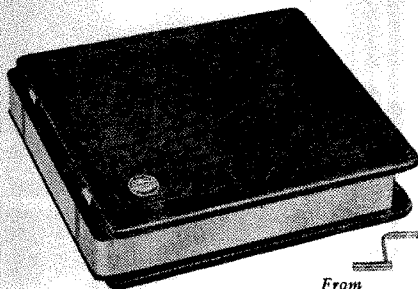
(Continued from page 10)

methods and quality. A company is in business primarily to make profits and only secondarily to produce goods; therefore, if costs cannot be brought down to a competitive level, the production department needs to examine its organization and methods. In all organizations reductions can be made by more efficient production planning and proper methods of controlling progress and the purchase of material. If the load on the shop is evenly balanced the costs will obviously be much less than with a spasmodic and varying load. Efficient planning methods will not only reduce costs but will ensure that delivery promises are reliable and well maintained.

The salesman can often help in the question of delivery by asking the customer: "How much time can you give us to make a thoroughly good job of this?" instead of "How soon do you want this?" In this way a longer period of delivery can often be obtained, thereby avoiding the necessity of pushing the factory for delivery with resulting detriment to quality or efficiency.

THE
NEW

BRAVON GREENLAND Loose-Leaf LEDGER



WITH INDEX
& 100 SHEETS

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33/-
COMPLETE

Another fine ledger from that "Factory-in-the-Fields"—Strong and lasting and at a competitive price—but the "Bravon" quality is there—Bound full crocodile-grained brown leather cloth.

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NO SIGNS TO LEARN

One of the most frequent causes of failure to meet a delivery date is the desire of the customer to make a change in his requirements after the work has been started. Such a request is usually received through the sales department. It may appear fairly simple to put the change into operation, but if the production department suspects that, apart from increasing the cost, acceptance of such a change will delay the completion of the work, then the customer should unquestionably be advised at once by the sales department to ascertain if the change is of great consequence.

These Sales Forecasts Help the Production Manager

Reference has already been made to the responsibility of the sales department for forecasts of future business. This information can be of the greatest possible assistance to the production department.

(a) A five-years' sales study enables production to have some idea of the plant capacity which will be required. These long range views are necessarily only approximate.

(b) A twelve-months' study is necessary in any case in connection with the current year's budget. This information gives production a more intimate view; this is desirable in most businesses so that they may know the load to be expected in the various departments.

(c) Short period studies are necessary in connection with the placing of orders in anticipation of business to be obtained.

The question of stocks is often involved. It is of vital importance and calls for the closest co-operation between production and sales. For some lines, of course, stocks are essential, as the customer will only place an order where he can get immediate delivery. In the case of seasonal goods it may be more economical to spread manufacture over the whole year rather than attempt to supply the demand in two or three months. The ideal, except for seasonal goods, is for stocks of piece parts to be produced and held ready for assembly as and when required. It is much cheaper to carry stocks of parts than of complete assemblies, and by keeping these piece-parts on the shelf it is often possible to reduce the delivery period after receipt of an order by 60% to 70%.

There is the further question of keeping the factory operating at its practical capacity, which is largely linked up with the question of accurate forecasts of requirements from the sales manager. It is definitely the duty of the production and sales departments to discuss production possibilities, so that sales efforts can be planned to secure business which will even up production, thus avoiding heavy loss from a period of overtime followed by a period of short time. The works manager should warn the sales department in good time which shops are likely to become idle, and in this way



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BUSINESS houses are eliminating unpleasant wage disputes by employing LANCASTER'S NEW PAY WALLETS—the really efficient pay envelope. Employees can check their money—even handle their notes, without extraction and without tearing the wallet. In case of a mis-count, wages can be easily checked without opening, the sealing being absolutely secure and permitting of wages being made up and sent any distance without risk. Yet LANCASTER pay wallets are with practice speedier than the ordinary transparent envelope because notes need not be folded.

Free sample Wallets
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AT 10. PER SQ. IN.
A NEW PROCESS for printing up to 10,000 Posters, Showcards, Window Bills, Out-puts, Packets, Catalogue Covers, Labels, etc., in any number of flat colours. Can be used with type. Why pay for Litho, line blocks, or silk screen when Lino will produce the number you require? Samples and full particulars from
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the sales can concentrate their efforts upon securing business for the shops requiring the work.

All these factors can be properly considered if the sales manager has an occasional meeting with the production department • before submitting his recommendations on the sales budget and in connection with the placing of stock orders to the management for approval. He thus ensures that the factory position has been fully taken into account.

Do not Spring Surprises on the Production Staff

Quite apart from any basic development and research work which large industrial companies may undertake in connection with future lines of production there are many questions which the sales manager would do well to discuss with the production manager, thus removing that element of surprise which is so detrimental to co-operation. If the works manager can be informed in advance of proposals which will affect his department, he can plan accordingly. At the same time, his views may be of considerable assistance to the sales manager, enabling him to put forward to the management schemes which have had full consideration within the organization.

These points can be summarized briefly as follows:—

- (a) Development of new products and origination of sales department cases.
- (b) Cancellation of existing types of products falling into disuse.
- (c) Possibilities of incorporating economies into existing business to reduce costs.
- (d) New lines of business in anticipation.
- (e) Items of sales showing a loss or insufficient profit.

In this way close team work is achieved and the sales department is able to give production the fullest help by having a definite objective at which to aim.

Both departments have the same aim and therefore they should strive to work together every time and all the time. If they try to visualize each other's problems unselfishly and without jealousy they will arrive more easily at a mutually satisfactory solution of their problems, to the good of the company they serve.

[From an address delivered at the National Conference on Co-ordination of Production and Sales organized by the British Works Management Association and the Incorporated Sales Managers' Association.—ED.]



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MONEY FOR NOTHING

WHY DO YOU GO ON PAYING FOR SOMETHING YOU HAVEN'T GOT?

BY THOMAS DIXON

"Anything a man needs in his business he is paying for whether he has it or not"

That is a profound truth which, because its application is not immediately obvious, is seldom appreciated as it should be.

In effect it means that you are *not* saving money by refusing to install the best and latest methods of doing business. You are, on the contrary, *losing* money, because it is costing you more than it should to do the work that has to be done.

When the typewriter was a novelty, thousands of business men were appalled at the idea of paying £25 or so for a machine to write letters. They insisted on carrying on in the old-fashioned way, writing their letters by hand. They entirely ignored the fact that, by continuing to pay the extra cost of writing letters, they were spending in a year the price of many typewriters. *They were paying for the typewriters although they did not have them.*

Since those days, the growing recognition of all that is implied in "efficiency", coupled with economic necessity, has compelled even the most hardened conservatives of the "old school" to adopt the typewriter. There are few offices to-day where the pen still reigns supreme. There are few offices, indeed, where the idea of business efficiency through the medium of labour-saving machinery has not at least taken root, even though in many cases the plant be still of sickly and stunted growth.

The supersession of shorthand by the dictating machine, not only in the dictation of correspondence but—much more important—in the actual control of business, is a striking example of the modern trend towards economy and efficiency. No one who dispassionately examines the two methods will deny that in convenience, ease of operation, speed both in dictating and transcribing, and economy, all the advantages lie on the side of the dictating machine. The contrast in mere mechanical output, as a matter of fact, is as great as between the pen and the typewriter, but the dictating machine brings the added advantage that it directly saves much of the valuable time of the *principal*, as well as of his secretary and subordinates.

Engineering achievement has done much to destroy the old idea that it is "difficult" to dictate or to transcribe from the dictating machine.

With the modern Dictaphone the recording is so extremely sensitive that dictation can be carried on in a perfectly normal tone of voice, while the typist can, quite

literally, transcribe just as easily and rapidly as if she were listening to the actual voice of the dictator. The mechanical handling of The Dictaphone presents no difficulty, and any intelligent typist can become an expert Dictaphone operator in a fraction of the time called for by either shorthand or the typewriter itself.

When the question of cost is considered, there is no comparison between the two methods. The Dictaphone actually more than doubles the typist's output, for the typist who can take down and transcribe five hundred lines a day by the shorthand method can quite easily transcribe eleven or twelve hundred lines from The Dictaphone. The *cost of typing* is thus reduced by *more than half*, an economy sufficient to pay for The Dictaphone many times over in the course of its effective "life". In other words, you are paying for The Dictaphone, even though you do not possess it, in the *money you are wasting on shorthand typing*.

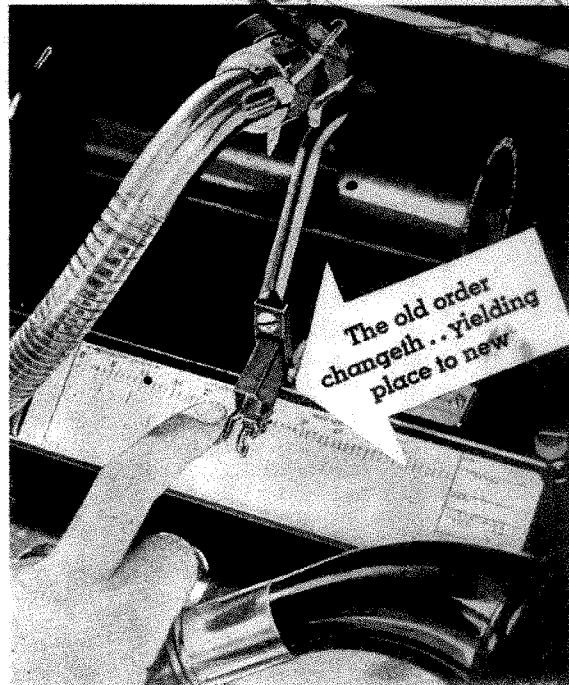
If that were all, there would be an irresistible case for The Dictaphone to anyone who would dispassionately examine facts and figures, but there is a further and even more important consideration.

What about *your own time*?

You can rely with confidence on a saving of an hour a day in your own time if you adopt Dictaphone dictation. *What is that time worth to you?* Certainly much more than the time saved for the typist: certainly enough to make it doubly true that *you are paying for The Dictaphone even though you do not possess it*.

You need The Dictaphone—every busy man does. You are already paying for it in the loss of time and money that it would save you. Why go on without it? Why continue to waste in a single year enough money to install Dictaphones that would serve you for years, showing a profit of 100% per annum all the time?

Don't fall into the common error of thinking that The Dictaphone is of value only to the "big" firm. There, of course,



The New Automatic Indicator on the latest Dictaphone, Model 12, tells your typist every time you "change your mind" when dictating. Users say it is "the greatest improvement ever made to the dictating machine".

it must show the greatest *gross* profit. In the small office, however, the need for The Dictaphone is just as urgent, the *percentage* of saving just as great. Whether the office be large or small, The Dictaphone is *always* an economy that utterly outweighs its cost.

Don't go on paying for something you haven't got. Investigate The Dictaphone carefully and see how it will fit into your business. It will cost you nothing to do so—you can "try out" The Dictaphone method free of charge.

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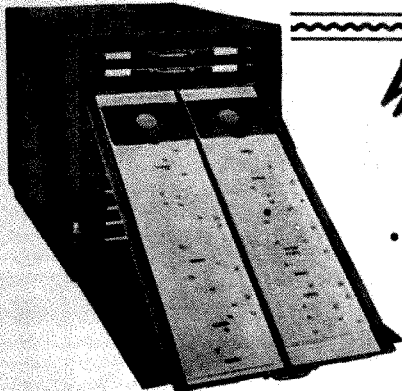
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"Fanfold" Continuous Forms typed over our Attachment effects savings in Billing time, and costs, ranging from 17% to 78% without affecting the operation of the typewriter for regular correspondence and other purposes.

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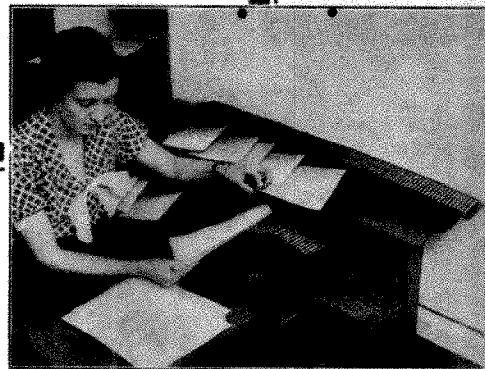
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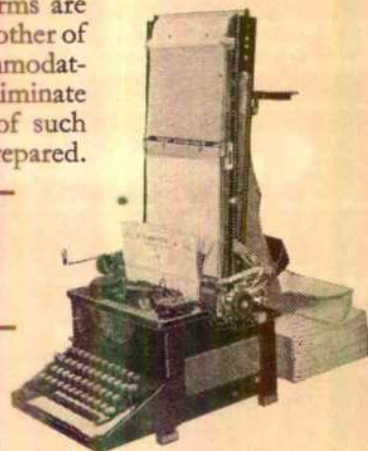
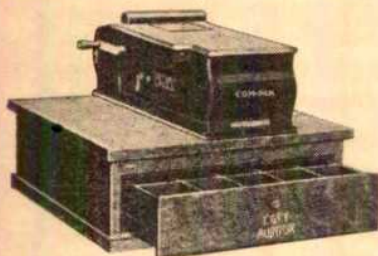
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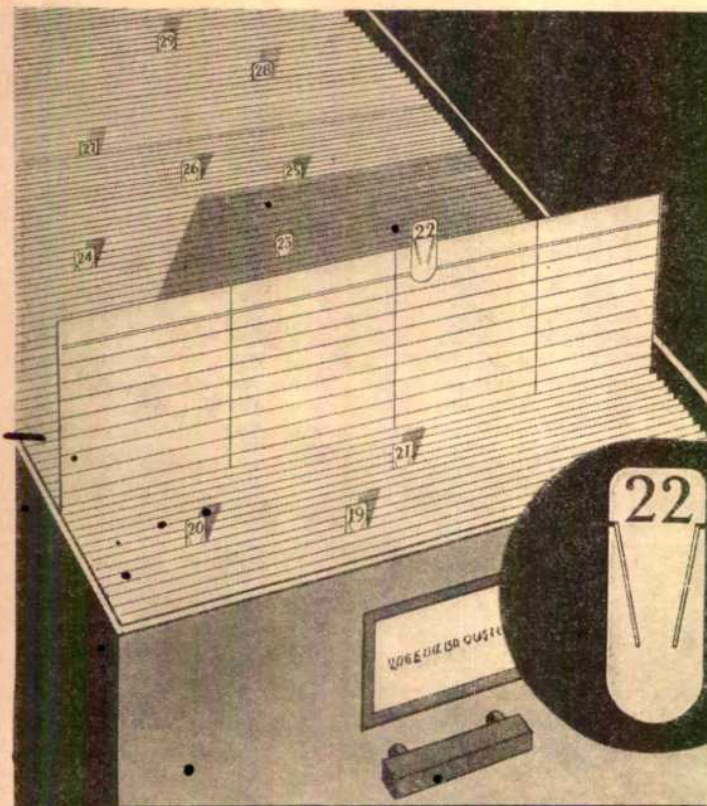


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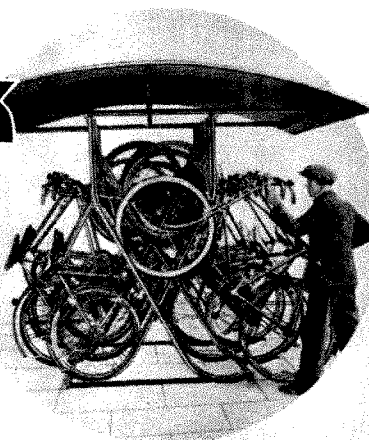
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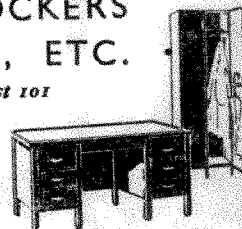
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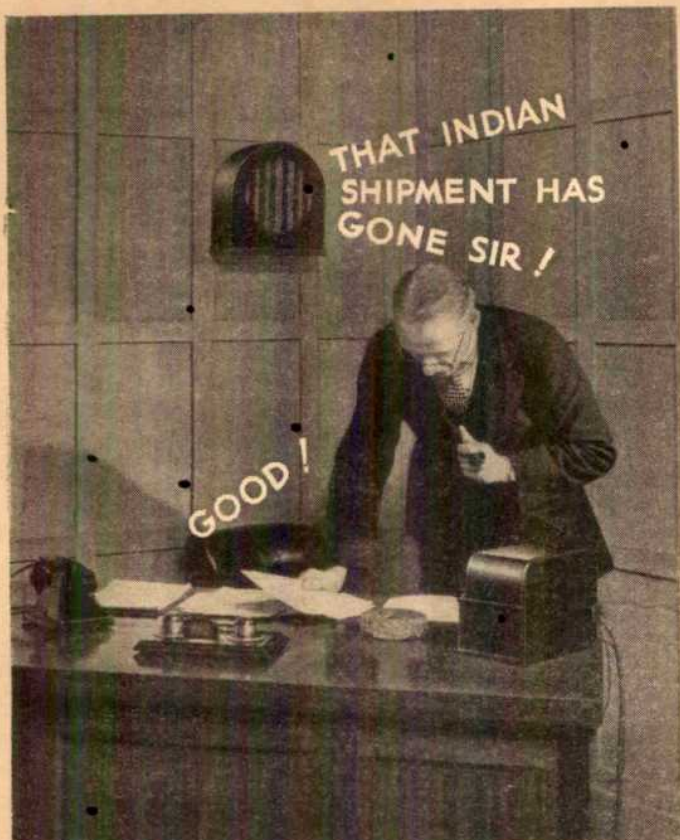
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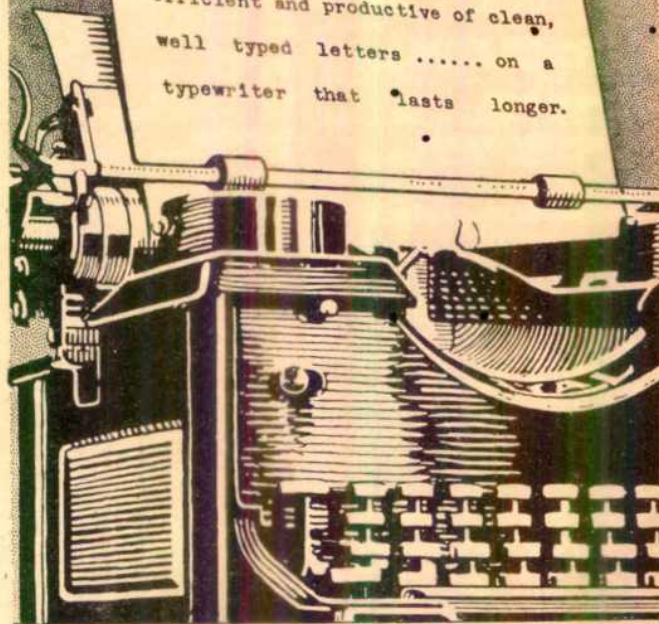
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The Head of this Business ... *has no* *Private Office*

From an Interview with

Capt. W. G. BARKER

Managing Director: The Roll Film Co., Ltd.

The outstanding feature of interest which struck me at the Roll Film Company's premises was that the managing director had no private office.

Even after many years of interviewing executives of all grades, in businesses of all types, this was unique in my experience.

After my card had been taken by the reception clerk, Captain Barker himself came out to me. "Come along in," he said, and led the way into a large, modern factory. Two or three vacant chairs happened to be near some girls who were working on accounts. "We'll sit here," he said, "there are no dug-outs or private hide-aways here".

Yet Captain Barker is a man who might be excused had he fixed himself up with a "hide-away" in the form of a comfortable private office. He has turned 76 years of age. Instead, however, of the staid executive with all his practical control delegated to more active lieutenants, I found him amazingly energetic. Lean and wiry, he might have been forty, except for a million fine lines in his humorous face, which

come only from many years in wind and sun.

"No one here has a private office," he said. "Too much

temptation to sit about and loaf, especially after lunch. Everyone in this concern *works*." (The italics represent his own emphasis.)

When it comes to attending to the morning mail, Captain Barker has it opened and put before him on any table or bench convenient to spot on which he happens to be at the moment. In twenty minutes he has routed it, by blue pencil marks, to the departments or managers concerned. Letters for his own personal attention are dealt with on the spot by the simple expedient of calling his secretary to take the necessary dictation and instructions.

The rest of his day consists entirely of active work in the factory itself. The work consists of a developing and printing service of amateur photographic films. Business, however, is direct with the trade, i.e., with retail chemists, and not with the public.

This factory, incidentally, is the

"There are no comfortable dug-outs or private hide-aways here. Everybody comes out into the open to work." So says the managing director of this concern.

We don't know how many of our readers will say this is a sensible idea or how many will scout it as impracticable. The fact remains, however, that the instigator has rapidly built up a highly profitable trade. And in a business which, as he says, is 5 per cent. manufacturing and 95 per cent. service, he has never yet let a customer down.

largest in Europe specially built for this service alone. The output averages eight million prints and enlargements per year.

Captain Barker is himself a highly-technical photographic man; thus he can readily turn his hand to assist, and his mind to study the methods, in every department. And this he does, day in, day out, in between interviews, which he holds anywhere, any time, and duties of attending to matters of policy. His work, he says, is his hobby as well as his business.

The only statistical record which this managing director follows is worked out on a large chart which hangs on a wall in the factory, and this is a day-by-day plotting, in graph form, of output compared, side by side, with results of the previous year. These curves tell him all he wants to know.

The Roll Film Company's plant and methods are worth a particular word of explanation, since both are worked out to fine limits to give the speediest possible results at the minimum cost, consistent, of course, with technical quality.

The film "D. & P." business is, as Captain Barker says, 5 per cent photography and 95 per cent service, the service implying organization.

Practically all the plant, equipment, and its plan of lay-out have been devised and constructed by the managing director himself and his maintenance staff. The only exceptions being a very few specific machines which had, of course, to be bought.

How the Stop Watch Plays a Part

The methods and routing of in-coming and out-going work were entirely planned by the managing director, who, in his active participation of the work, is never without a stop-watch concealed in his pocket. Continuously he times an operation here and a process there, not so much to check the individual capacity of workers as to check the

plan to see where the flow of work can be made easier as well as quicker.

Captain Barker holds that in a mass production business—and this is one—no worker should ever have to walk about. He has therefore designed and built his own conveyer band system, which automatically handles everything, except at one or two certain points, which he himself considers it policy to introduce the human element.

One rather clever point will illustrate this exception. In the printing room the managing director likes to keep a watchful eye, not only to ensure that full capacity work is maintained in this department (which has to be in semi-darkness), but also to give a frequent glance at the technical standard of work.

Captain Barker contends, however, that the fact of "the boss" being so frequently in this department would unsettle the technical workers if they thought he was hovering about as a supervisor. As an excuse to be in there so often, therefore, he has to adopt a subterfuge.

Thus while this printing room is fed with work by a conveyer band, the finished work is taken out of the depart-

ment by hand. At peak seasons, when his supervision is most required, this causes a partial choking of finished work and provides a legitimate excuse for him to go in at frequent intervals to lend a hand clearing the trays of finished prints.

By this simple means, therefore, the managing director can maintain his supervision without the least indication that he is there for any purpose other than to lend a hand with the work. His cheery remarks as he himself labours at top pressure in shirt sleeves keeps everybody's spirits up and achieves his own purpose at the same time.

Speed of First Operation Controls The "Flow"

The whole plan of this factory is for speed. To achieve this the first process is used as the "key". Every individual operation is so worked out that it is almost too fast for each succeeding operation. As the ebb and flow varies slightly so is the size and capacity of plant and operatives of the first key operation controlled to meet it. Thus A operation and department keeps B full to capacity; B keeps C at top pressure; C keeps D practically choked, and so on. Control of A, however, is so finely kept that there is no danger of actual congestion.

If You Have a "Seasonal" Labour Problem

One arrangement in this business should be interesting to other businesses which have a similar labour problem.

The film developing and printing service is essentially seasonal: peak pressure in the summer months and practically nothing doing in the late autumn and winter. The problem was that Captain Barker wanted his full strength of skilled and trained staff in the busy time; he did not want them in the winter, but he *did* want them available again when the next season began. If he merely dismissed them in the winter they would get other jobs, and the opening of the summer would set him all the difficulties of training new girls.

What he did, therefore, was to cast around for another manufacturer in the district who wanted a big staff of girls in the autumn and winter and not in the summer. He wanted to arrange an exchange of girls so that his trained summer girls could go to a winter job and be released again to resume film developing in the summer.

After several failures, Captain Barker met (in an hotel in Athens of all places!) a well-known seed grower who had premises close to his own at home. This seed grower's peak season began in the autumn, so an arrangement was at once made that the seed grower would give autumn and winter employment to Captain Barker's girls, so that, when the summer season opened, Captain Barker could take the whole of his trained staff back again to jump right into his work.

This scheme now works admirably and suits both manufacturers as well as the girls themselves.



This Bonus Scheme Obviates Overtime

1. It is calculated that the cost of labour to collect, process, print and deliver 1,000 Film Rolls is 100/-.
2. If the weekly wage of the whole of the staff (except the Managing Director) totals, say 2,400/-, the daily total wage is 400/-. Hence any quantity of Rolls up to 4,000 (per diem) should be handled without any overtime, bonus or other extra labour cost.
3. On one particular day of the week, after a very fine week-end, the number of Rolls received, we will say, totals 5,000. If the existing staff handles those 5,000 Rolls within the limit of the time allowed by the Factory Act, the whole of the staff is entitled to a 25% bonus on their calculated DAILY wage. For example:—
 - x receives 24/- p.w., i.e. 4/- per day.
 - x* is entitled to 1/- bonus for her day's work on the day 5,000 Rolls were received and processed before 8 p.m. on that day.

The 1/- represents 25% additional wage for the day on which the company received 25% more work to handle than it was calculated the staff could do within their normal working hours.

Everyone on the pay roll: Office Boy, Drivers, Enlargers, Artists, Sorters, etc., participate in the success of the day's load.
4. No deduction from employee's wage is made if less than 4,000 Rolls are received per day.
5. This bonus system was evolved to abolish "overtime" which is found gradually to develop into a habit amongst many employees.

These Errors COULD have caused Serious Failures

By PERCY A. BEST

In the last fifteen to twenty years tremendous changes have come about which have completely altered the structure of business. The rule-of-thumb methods, the established precedent and the conservative thinking and acting by one-time "hard-headed men of business" suddenly became entirely useless for the conduct of the new business which arose.

Even to-day there are still many business men who find it extremely difficult to forsake the last of their cherished hopes and theories and to adjust their outlook and methods in a way which will enable them to maintain a profitable business.

Coming into daily contact, as I do, with these business problems, for the solution of which there is neither precedent nor established custom, I realize their importance and am glad of the opportunity given to me by the Editor of *BUSINESS* of writing about them.

In selecting the following examples out of the great variety of problems that have come within the scope of my work, I have tried to cover a field that will be most interesting to the readers of this paper.

Here the Fault Was No Stock Control

A wholesale drapery house, after a change of ownership, began to make losses after having made satisfactory net profits for many years. The sales had not declined, the gross profits were satisfactory, and the expenses in order. Examination, however, proved that the losses were due to the sale of the residue of the stock at the end of each half-year at greatly reduced prices, and still closer investigation showed that there was no merchandise or unit stock control in operation.

The executives closest to the jobs cannot always see faults. It needs courage to call in the outsider and sometimes more courage to take his advice, but . . . judgment has to be made on results

Merchandise control ensures that purchases of stock are kept within proper limits, and if efficiently exercised the maximum turns of the average stock into the sales are secured. Unit stock control assists the buyer to know what is being sold. This information enables him to invest his capital in the goods that are selling in the greatest quantities.

After the necessary reorganization of management, and adjustment of control systems were made, the business began again to make net profits instead of losses.

Attributed The Wrong Cause To Falling Sales

The next problem is one that a great number of retail drapery businesses have been faced with, and I hope that should any reader of this paper be faced with a similar difficulty, he will be assisted by this brief reference.

The sales of a retail drapery business in a busy populous market began to decline at the beginning of the slump a few years ago. The management thought it was due to the fact that branches of multiple chain stores, doing a low fixed price business, had opened nearby. They therefore changed their policy of merchandising from regular stocks of medium-class goods to low-priced specially-bought jobs. This

change of quality in their stocks was supported by special advertising in which the low prices of the goods were stressed.

The result of this high pressure selling was to increase the sales for a few months, after which a steady drop in sales began to take place. Unwanted residues from the specially-bought low-priced goods began to accumulate in the stocks and resulted in inadequate variety of the usual lines required by their customers being carried.

The management had confused *cause* and *effect*. The cause of the first drop in trade was due to the slump, and not to the competition of the cheap multiple chain branches, for the market was big enough to support both grades of business. They should have sat tight and adjusted their purchases and stocks to meet the temporary reduction of sales. They should have studied the fashion side of their stock and watched and improved the quality of their service. Had they done this, the result would have been to tie their regular customers more closely to them, although their average purchases were at that time smaller in value than before.

To deal with the condition there had to be a revaluation of the heavy stocks, resulting in big losses through price reductions.

After a new analysis of the market, the grade of merchandise to be stocked was decided upon, and a return was made to regular, well-assorted stocks, and a control of price ranges was instituted. There were to be no more stunt sales with their untidy window displays.

The management, having given the return to a sane policy of merchandising time to impress itself on the market, the business is now beginning to reap the benefit.

Blind Selling Lost This Foreign Market

A manufacturer of woollen dress goods whose largest trade a few years ago was with the Balkan countries, began to lose it very rapidly to the Germans. The investigation disclosed the fact that the Germans, before making their goods, had sent representatives to study the local conditions and any other factors that might influence trade. Their report contained the following information: The countries being largely agricultural, there were few large towns. Goods were distri-

MR. PERCY BEST, was for many years a Director of Selfridge's and assisted the founder to organize his business before it opened in 1909.

Mr. Best is now a Merchant Business Consultant.

He helped to form an International Study Group in Geneva in 1928 from the heads of large stores in England and on the Continent, the objects of the Group being to study all big problems and systems that were common to businesses in every country.

Mr. Best is Chairman of The Drapers' and General Insurance Co., Ltd., and a Director of Financial and Commercial Companies. He has held leading positions in important Trade Associations for many years. He is a keen advocate of vocational education, and his addresses and writings are well known.



buted by small shopkeepers in small towns and villages. The shop premises were too small to stock with any convenience pieces of woollen dress goods of long lengths, and the big lumps of cloth sent out by English manufacturers caused an inconvenient problem to them.

The reports went on to advise that the lengths should be one-third those of the English materials. They sent with their report samples of four or five of the favourite national colours which had not been included in the English manufacturer's colour range. This consumer market research by the Germans enabled them to capture the trade.

He Saved His Pennies But Lost His Pounds

Perhaps an example of weaknesses that have been the cause of hundreds of small shopkeepers going out of business will be interesting.

As there are 500,000 retailers of all kinds in Britain, and as about 90% of these are privately-owned businesses, any weaknesses in management are of importance to the consumer, since a great percentage of the population must rely on these private shopkeepers for their necessities. A man opened a shop in a new district. His capital was small, and his experience that of the average shop assistant. He knew his goods and the markets they came from. His manners were ordinary.

His business grew with the district, and he began to make money. There was little or no competition, and he increased his rate of gross profit, and reduced his expenses by cutting down his light bill and cleaning charges, etc. The result of this greedy economy was that his shop became dirty and dark, and his customers dissatisfied.

Another shop was opened in his line of business by a man who also knew his goods and markets, but to whom business was an art as well as a living. His shop was bright and clean. His manner courteous and attentive. His assistants set their standards of conduct by his. His windows were tastefully dressed and well lighted after his shop was closed. After a few months he had taken the trade from the older business, and had increased the average amount the customers had been spending with his rival because he was always showing and introducing new lines. The older business is now closed.

Had To Drop All Lines But One

In this article I have avoided calling the reader's attention to obvious weaknesses such as are pointed out by the accountants. I mean a lack of balance between gross profits and expenses, over capital expenditure, and the many accounting weaknesses which are usually pointed out by the auditor

Management should frequently examine every policy, every item of work and should demand "What does it actually do towards the PROFITABLE conduct of the firm?" Policy or Routine, whatever it is, if it does not prove a definite 'credit' item, its continuance should be strongly challenged

of the business as soon as they appear. My intention has been to outline those problems which can only be dealt with or appreciated by the experienced merchant mind, and are more matters of policy than technique.

The last specimen problem is not a frequent one, but it has occurred, and should the large industries leave the vicinity of the northern towns to any great extent, variations in the retail markets of such towns are likely to occur.

An old-established general store could not stop the steady drop in its sales that had been going on for several years. The business was run on good sound lines, its methods had been modernized, and as far as internal management was concerned left little to be desired.

On investigation of the market it was found that the drapers of the town had created a market about a mile away from the site of the store, and their chief drop in sales was in the drapery section of their business. They were faced with three alternatives: (1) to increase their advertising expenditure and maintain their sales at the expense of net profit; (2) move their business to premises in the new market and thereby lessen the value of their old property, and borrow capital to pay for the removal and suffer the inconvenience the move would cause; (3) reduce their existing premises to meet the reduced sales, and sell or let the remainder. This has been done by other businesses, but it immediately depreciates goodwill.

An analysis of the sales showed that 60% of their total trade was done in their furniture and kindred departments; in fact, these were showing a tendency to develop. The decision was finally arrived at that they would go out of the drapery and fashion and food business, and give the whole of the space to furnishing. It has been proved that a well-run furnishing business attracts those interested whether in a popular shopping centre or not. People who are about to set up housekeeping or refurnish prefer to do so where they can see large assortments of well-displayed goods.

Furniture windows, of course, are a very great attraction, but they do not appear to be used in quite the same way as women use the windows of fashion and general drapery businesses. The largest retail furnishing business in the world

is a good mile from the most important retail shopping centre, and yet it still retains its proud position in the furnishing trade.

The business in question proved that the decision was a wise one, for the higher degree of specialization the management were able to give to the furniture departments brought an agreeable increase in their business, which, together with the reduction in the number of assistants required, brought an appreciable increase to their net profits.

I hope that this very brief summary of a few types of the many problems confronting those in charge of business will be interesting and helpful.

CUT COSTS TEN PER CENT

Charles C. Knights, Managing Director, Marshall, Hardy, Ltd., at a recent business meeting.

"When I assumed control of this organization I noticed that the system of internal communication, via the ordinary G.P.O. telephone system, involved a lot of wasted time. There was delay in having all calls put through the main switchboard, wanted lines were often engaged, and executives themselves, therefore, walked from office to office to talk personally to those with whom they could not immediately get into touch by telephone.

"One of the first pieces of new apparatus that I installed, therefore, was a loud speaker telephone system. This practically eliminated all delay in internal communication. It reduced costs to the extent of ten per cent. of executives' salaries."

ANOTHER PLAN TO AVOID WAGE DISPUTES

Following publication in the September issue of BUSINESS of a plan used by one firm to obviate disputes about the contents of wage envelopes, another firm sends us their plan, which, we understand, works very well indeed:

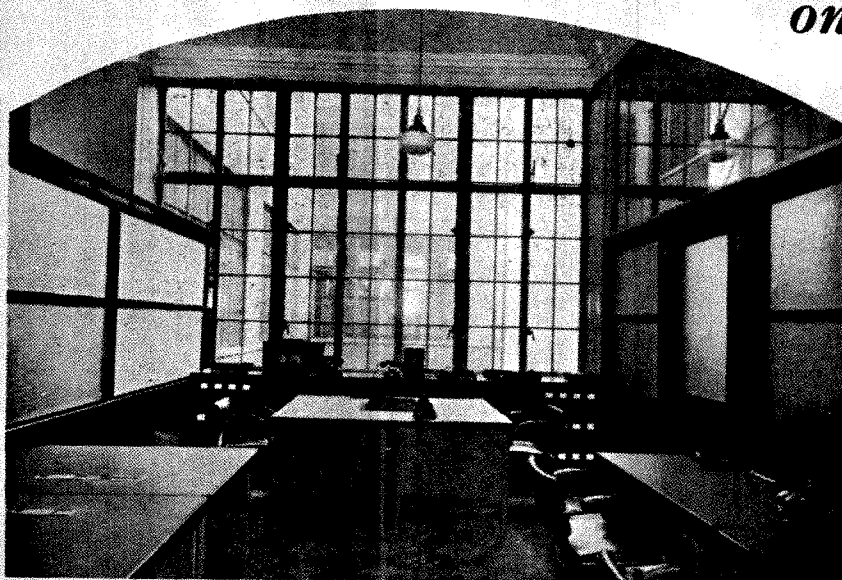
"The clock cards on the reverse side show the man's wages, giving the complete build-up, less deductions, and the actual amount to draw.

"These cards are given to the workmen by their respective foremen, who have received them from the wages department, each Thursday. The workman takes the card home, examines the build-up of his wages in the privacy of his own home, and presents the card on Friday to the pay clerk in exchange for his wages, having previously appended his signature to the card as a receipt.

"This is an excellent guard against a workman getting another man's pay packet, and, incidentally, most complaints regarding errors in wages can be investigated before the actual payment is made."

Half-Minute Ideas . . .

on This and That



The furniture of this managerial office of a large firm of insurance brokers is entirely of modern steel. The steel and glass partitioning give the privacy necessary to the business and ensure the maximum of light and the free circulation of fresh air through the general office outside

Where Ideas Come From

Do you ever read House organs other than your own? A director of one flourishing concern was never tired of explaining that the two most prolific sources of ideas with which he came in contact were: Salesmen who called on his firm and House magazines of other companies, no matter in what line of business.

Can You Do This?

The top executive's job is not necessarily to be full of ideas and new plans for this and that. He is a good executive if he can assemble about him other men who have ideas, and if he can direct these ideas into the right channels and develop them in the right ways.

How Many Dead Accounts?

"One of my most important end-of-the-year jobs," a managing director told me, "is to look over the year's trading and to see what accounts have 'gone dead'. Every one of those expiries is then fully investigated; the how, why and when is probed to the core.

"Generally a definite reason can be found for the loss of the account, and if the least fraction of a chance exists to waken it up into a live account on our books again the sales force is directed to concentrate on it to that end.

"We do not lose many accounts per year, but we invariably regain those that are at all 'regainable'."

Telephone Manners

Mr. H. Pickup, Chairman of the Incorporated Sales Managers' Association, recently said: "Whatever your position in a firm, you are, throughout a business telephone conversation, a direct representative of your firm. Your telephone voice and manner reflect not only your own personality but your firm's standard of courtesy, efficiency and service."

This is a statement of fact which applies to every single individual, from the head of the firm to the day-old junior. Business would gain by having this truism printed on a card and fixed so that it stared into the face of every business telephone user in the country.

A Fresh Outlook Is Useful

The head of a middle-sized firm insists on his juniors reading the articles in the technical periodicals and reporting on them to him. "This makes the juniors learn," he says, "and sometimes their unsophisticated criticisms set a whole train of useful thoughts going in my mind."

Do Unpleasant Jobs First

An executive, recently interviewed by BUSINESS, revealed the fact that for the first hour of his day, five days a week, he concentrated on the most unpleasant jobs which were up for his attention.

"I used to postpone these till the last moment," he said, "but they never became any more pleasant; in fact, quite frequently the reverse, since complications often developed.

"In the mornings one can much more efficiently tackle a rotten job, and the successful accomplishing of it really does give one a pleasant zest for the rest of the day. That is no mere platitude; I have proved the actual truth of it."

What's New in PRODUCTS and SERVICES

A new flooring, of Swedish birch, is now on the market. Hitherto, birch has been little used for flooring because of the belief that it absorbed the humidity of the atmosphere, and then crumpled. Swedish birch has been found to be less susceptible to this than any other species, and when treated with a special stain, to be entirely free from it. A further advantage is that this flooring does not develop a rough surface after a long period of wear.

An under-basin water-heater in which the heat is turned on immediately the tap is opened and turned off immediately the tap is closed, has been put on the market by a British firm. The hot and cold taps, though working independently, are supplied from a single (cold water) pipe.

A torch-cum-truncheon for the use of policemen and watchmen has been recently invented. It takes up no more room than the ordinary truncheon, and obviates the

necessity for carrying a hand lamp. A spare bulb is carried in the truncheon.

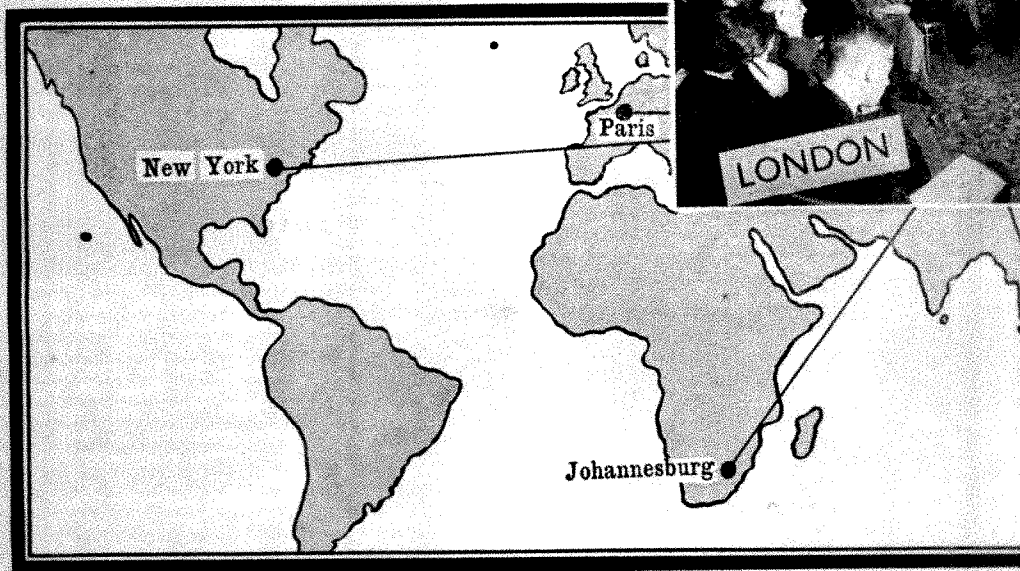
A bath, which is practically three types in one, has been designed for small houses. Only 4 ft. square, its diagonal line gives almost the length of the old conventional bath. Of two fittings in the sides, one enables adults to have a sitting shower, the other constitutes a separate small bath for children.

A new prepaid parcels service has been put into operation by the Post Office. A firm may take out a licence, minimum £2, and in return they receive printed labels to the amount. These can be sent to the customer for use on parcels in just the same way that the "business reply" envelopes are sent for return letters.

Mica corners for the pages of index volumes or other books in constant use are being marketed to prevent cracking and tearing of the paper through handling.

The 'Phone is Developing

LONDON TALKS WITH *Overseas Executives, Staffs, Agents And Customers*



From GEO. C. USHER

Managing Director: International Combustion Ltd.

EDITOR'S NOTE: Never before has a business concern made such a world-wide link-up for simultaneous wireless-telephone conversation as this firm utilized at the close of its financial year a few weeks ago.

So dramatic was this achievement, and so much publicity did it receive in the general Press, that the main purpose of the idea was pushed somewhat into the background to give way to the more spectacular aspect of it.

True, the linking-up of centres so that executives and agents spread, literally, throughout the world could "conference" comfortably with the managing director at head office in London represented a feat of engineering on the part of the Post Office; it was a fine example of technical skill. Nevertheless, the purpose for which International Combustion, Ltd., called this conference was *business*; the complex technical arrangements were purely incidental.

Nothing was further from Mr. Usher's mind than any attempt at "stunting". His world conference was entirely a logical development of the time-saving ways in which he regularly uses the overseas telephone as an instrument of business organization.

To put the whole of his own business world into inter-communication was, however, a step beyond anything he

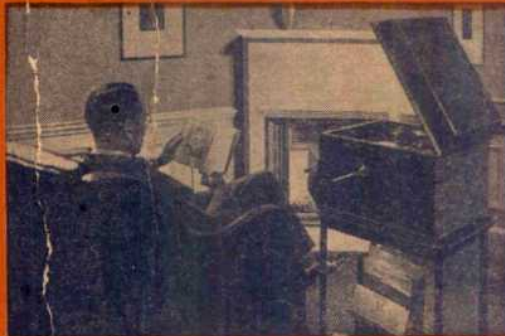
This World Conference by wireless 'phone was no mere 'stunt,' but part of a progressive, business-building policy

*From
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had yet attained of an experience will tell you successful, the cost, and the of the regular of his company explain:

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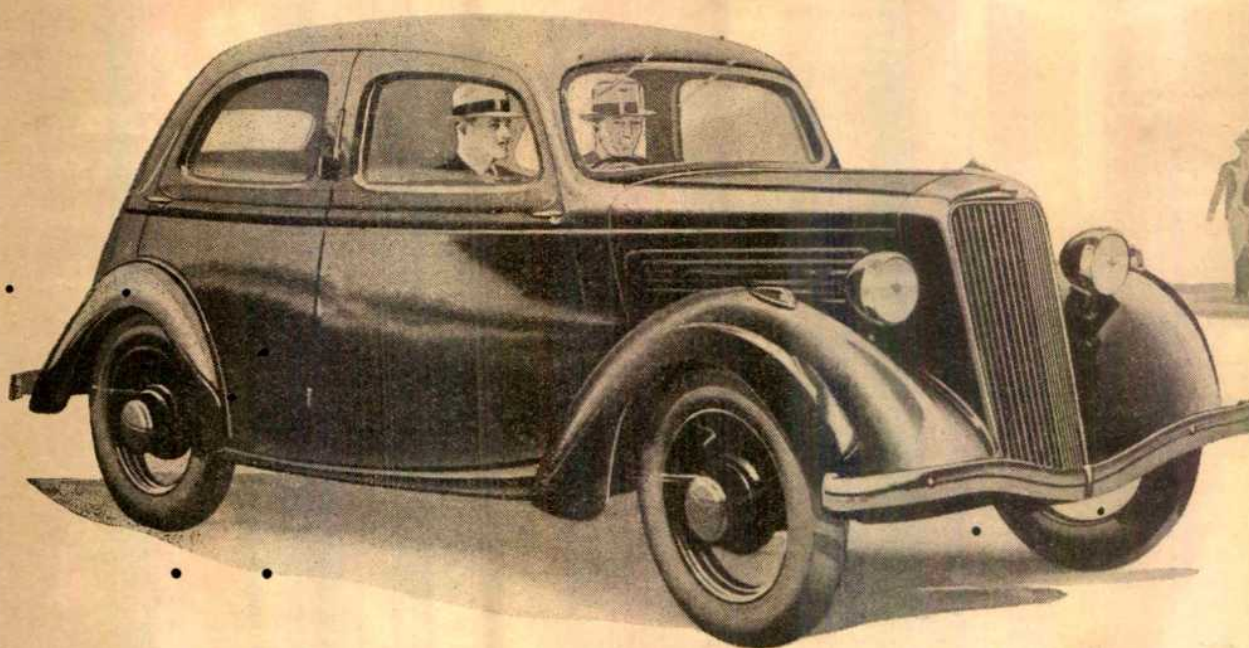
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This glimpse of the rear quartering exemplifies the reality of the streamlining in the bodywork of the New De Luxe Ford.

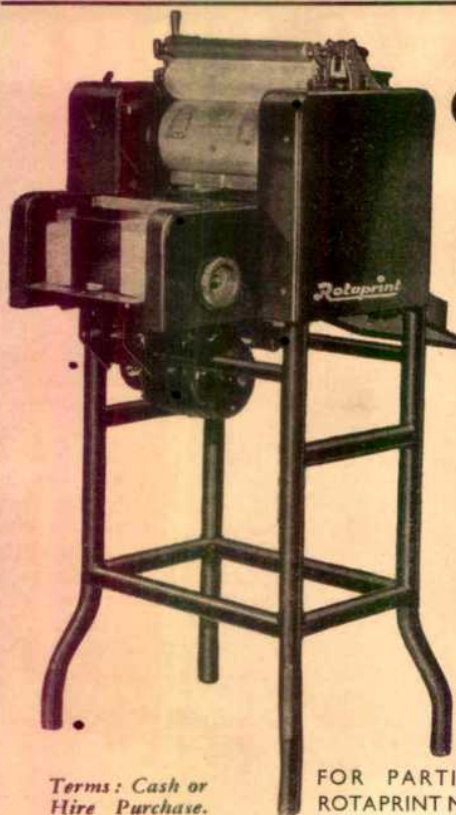
While its first-cost, taxation, insurance, fuel, oil and tyre bills, and the making-good of fair wear-and-tear, are all so low, its appearance, its comfort, completeness of equipment, and above all its road-performance, in Town or out on the broad highway, compare with those of a far more costly car.

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Many leading Business Houses and Government Offices testify to the great savings effected since they installed Rotaprint. Read this extract from the Post Office Magazine:

"Mr. C. W. Burge, Staff Officer, Engineer-in-Chief's Department, has been awarded the M.B.E. . . . Exercising knowledge and experience gained outside his official duties, he has been instrumental in effecting considerable savings annually in printing and duplicating costs, in various departments, by the extensive development of the Rotaprint system."

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FOR PARTICULARS OF THE
ROTAPRINT MACHINE APPLY TO:-



Modern B Blowed Esq

A great fellow on efficiency . . . all the most up-to-date business equipment is to be found in his offices . . . his factory is replete with the most modern machinery and plant. Yet (would you believe it?) he and his employees and his customers are, mark you, actually dependent on old-fashioned spring and escapement-driven clocks . . . with all their constant need for winding up and regulating . . . their tendency to be a few minutes out when right time is most vital, so encouraging inaccuracy and unpunctuality.

Brother, we trust that you are not like Modern B. Blowed, Esq., . . . but that you are as up to date with your time ideas as you are with your other business ideas . . . that you have installed Smith's Synchronous Electric Clocks which need no winding up or regulating but always give you Greenwich time from time-controlled A.C. mains. Ask your jeweller, or electrician, or your radio dealer, to show you the many wall or mantel designs.

SMITH'S ENGLISH CLOCKS, LTD., Cricklewood Works, LONDON, N.W.2



P U G I N T O G R E E N W I C H T I M E

Scientific

board, sink and so on. These were included to make the competition as practical and interesting as possible.

One very valuable selling point which this competition enabled us to convey strongly was the fact of modern colour schemes for gas equipment. This would have been a point more difficult to "put over" by straight Press advertising. The fact, however, of our asking housewives actually to arrange colour schemes in the kitchen plans was the most effective means of all with which to impress upon their minds this new idea of harmonizing, and therefore more attractive gas equipment.

Effectively Introduced New Gas Appliances

But the purpose of the competition did not stop here. The handling of the miniature equipment had a still further effect. It impressed upon the housewives in a most practical way the wide range of gas equipment now available. It impressed them because they were actually handling reproductions of the

"I am tired of the people who pride themselves on their general ability and culture who have never been through the personal discipline of accurate and fine performance in some particular."

• Sir Josiah Stamp.

various latest developments: heaters for individual water taps, irons, linen cupboard heaters, refrigerators and so on. Introducing items of equipment in this way was far more effective than by displaying them in an ordinary catalogue.

To judge the competition we appointed two ladies who are well-known specialists in designing home interiors, while the chairman of the Association

is available to add a deciding vote where necessary.

At the time of writing this competition is still open, so it is not possible to give results. The indications at present, however, are that the 300,000 booklets which we had printed will be exhausted before the closing date, which is January of next year.

Large numbers of entries have already been received and examined, and some of them have provided us with most useful ideas which will be incorporated in future designs for apparatus.

The winning suggestions will be put into operation, and the actual kitchens will be sent to exhibitions in all parts of the country.

Small models will also be made and sent to the various gas undertakings, which will probably run local advertising campaigns in connection with them.

So far the results which have come from this form of advertising with the service idea behind it have been very gratifying. Throughout the country people are more and more interested in their kitchen equipment, and they are using more and more of our products. They realize now that Mr. Therm can back his statements by actual results, and they are willing to put those statements to the test.

Another point which our sales and service development departments have constantly in mind is the fact that a great percentage of the population is more mobile than it was a few years ago. Firms transfer their representatives; Civil servants are moved about from place to place; building activity on the outskirts of large towns and in entirely new country districts are at boom pitch everywhere. Every house, every removal, means that the housewife has some new kitchen problem to solve. We make it our duty to help to solve it.

How We Help to Plan New Kitchens

To do this we are having prepared small scale models of all the gas equipment which is possible in a kitchen, so that when a housewife comes to us and says: "In my new kitchen I have only so much space, and I want to get into it a washer, a refrigerator, and a cooker. What do you advise?" we shall be able to draw on a sheet of paper a plan of the kitchen to the same scale as that of the small models and show her exactly how her space can best be utilized. This will also be tied up with a Press campaign.

It is not always possible for an association such as this to assess the actual sales results from an advertising campaign, but the competition at present in progress has given us ample indication that our advertisements are being read, while the reports from individual companies speak of considerably increased sales. The trust which the gas undertakings place in our activities is shown even more clearly by the fact that their contributions to our funds at present are four times as large as they were in the year before the War.

PLEASE MR. THERM

"We like ONE solid fuel fire - can't you invent an easy way to light it?"



Have you never seen the gas poker? That will solve all your troubles. It's a sort of flaming torch, that you can thrust into the coke boiler or a solid fuel fire and so do away with all fire laying and all expense of sticks and paper.

You can plug this gas poker in to a gas point by the side of any of your fires, so that one poker does for the whole house.



Mr. Therm's informative answers to a wide range of questions on how gas can increase the comfort and reduce the work of the housewife formed the main theme of the Press advertisements. With this campaign local gas undertakings linked up with equally well-designed posters "selling" the comfort and convenience of gas

This Plan Creates And Holds Customers

Dear Madam,

The thermometer was down to 54 to-day, a sharp reminder that summer has gone and that heating arrangements must be looked to.

We can still deliver coal at summer prices; though we expect this is the last occasion on which we shall be able to do so.

May we deliver your usual quantity this week? The price will be . . . In case you would like to take this opportunity for a good price our roundsman will call to-morrow and can take your order for delivery at once or at any time convenient to you.

Will you be good enough to let him know?

We are

Yours faithfully,

To most householders coal is just coal; to buy it from one merchant in a town is the same as buying it from any other merchant in the same town. Purchasers rarely make any preference as they do for a grocer or a butcher.

The plan used by one coal dealer, however, is worth noting as it *creates* and *keeps* customers; building the turnover steadily.

At the beginning of the cold season, when autumn days begin to nip, this merchant sends a letter to all his customers announcing that his "coal-men" will be calling for orders. All his roundsmen then start an intensive canvassing campaign.

The names of all customers who buy are noted and recorded in the office on

a card index file. With the name is put the quantity of coal bought and then, by a careful estimate, from the known size of the household and the approximate standard of living, the office calculates how long such a quantity of coal will last. The period when the amount should be about exhausted is put down and a series of follow-up dates worked out according to this.

Such an approximate calculation is made for each customer so that, roughly, the coal office knows when

The keynotes of this selling campaign are that the coal merchant takes the trouble to **KNOW** his customers' needs and that he then sells them a **SERVICE** based on that knowledge. This service has built his business

He Doesn't Just Sell COAL

every customer will be ready to order another delivery.

A few days before his respective renewal date falls due another personal letter is sent out to every customer mentioning a few appropriate facts and advising him that the roundsman will call for orders; and so on all through the season.

Every morning, too, each roundsman is given a list of "due" customers. On these he calls for an order; and as the time has been so carefully gauged, and the customer reminded beforehand by letter, the order is generally given. At least the order goes to this coal merchant and not to another.

The key of this arrangement is that the coal merchant *knows* when his customers want coal; also he relieves his customers of all trouble and responsibility as to the state of their coal cellars.

In other words, this merchant, by giving an intelligent *service*, instead of just selling coal in a haphazard way to those who care to ask him for it, is building up a fine healthy business and goodwill.

We Want 'BUYINGSHIP'

From PERCIVAL ELLIOTT, M.Inst.P.I.

Toy & Fancy Goods Manufacturer, Worthing

For several years past now intensive campaigns have been waged for the training and attempting to bring to concert pitch *Salesmanship*. But what use is all this labour and developed talent if the product cannot meet its counterpart—*Buyingship*, for either *Salesmanship* or *Buyingship* is impossible without the other, no matter how large or small the deal.

Salesmanship in its true sense is now an established profession, and all good salesmen are now clamouring for the time when *Buyers*, let them be principals or employees, duly honour their profession and extend the fullest courtesy to them, as they do when it is their own turn to sell and serve.

There has been, and still is, a very definite, unfair and unkind disposition on the part of a buyer to meet a stranger salesman, particularly so if the firm the salesman represents is also unknown in the area. How often are the circumstances such that the salesman

can see none but the junior clerk at the little window frame, who politely asks his name, or gracefully takes his card, and closes the little window, shortly to

Mr. A. P. Besley, head of Paulden's the well-known Manchester store, explained on page 21 of last month's *BUSINESS* his new plan for insisting that his buyers saw **EVERY** salesman who called.

Mr. Elliott here strongly endorses that policy.

return with the response: "Nothing to-day, thank you!"

One cannot but gasp and expostulate, *what stupidity!*

We, as a nation, nay, as a world, are crying out for more business, yet we are but "crying", not attempting, all of us, to play our individual parts. If the

buyer be the proprietor of the concern, and he neglects or refuses to see a new firm's salesman, he does himself a gross injustice. If the buyer be an employee, he is not giving his services for which he is employed, and in each case both are doing a decided wrong to the firm sending out this representative.

Admitted, it is not always convenient for a buyer to be interviewed the moment a salesman pops in, and every true salesman knows it and makes such allowances, but "Nothing to-day, thank you!" without further comment or suggestion of a suitable time for interview, and without seeing the goods and hearing needful comment, I say is both *weak* and *wrong*, non-intelligent and non-efficient.

A buyer should be a very responsible person, and if he trips up, blunders, how can the salespeople of the said badly-bought goods hope to succeed with those goods? Therefore, how very, very necessary it is for a buyer himself to know what is *New* or competitive on the market.

Buyingship, then, is a very serious profession, and might be termed the pivot of a whole business, hence it is up to a true buyer *always* to see and know for himself, and not before then to give his decision.

Summer Drink for a Winter Market and Toilet Cream for Women Who Work

Two outstanding examples exist at the moment of how a flexible sales policy is creating new business.

For years Rose's limejuice has been an essentially seasonal product, a summer drink. Now, however, by means of well-designed Press advertising, they are aiming to break into the winter market by advocating "Gin and Lime" as an ideal *aperitif* and cocktail.

Rose & Co. are not gin distillers, but the claim is that the combination, as the *Advertisers' Weekly* puts it, is perfectly good chemistry and perfectly good taste. To women especially the cocktail of gin and lime is expected to appeal.

The pushing of this once purely

summer drink into the winter market is thoroughly sound from the marketing angle, and is an excellent example of

Two good examples of the "new angle" to create fresh markets for established lines

finding that something fresh in appeal with which to stimulate the sales of an established product.

Another example is the unusual "twist" given in the advertised appeal of Hinds' Cream. Advert-

isements for toilet goods of this type generally try to create their appeal by portraying the hands and faces of ethereal women who, quite obviously, neither toil nor spin. Hinds, however, have boldly abandoned this pleasant ideal and have borne in mind the much more practical fact that their real market lies with the several millions of women who have work to do.

Their new selling appeal, therefore, to quote one of the excellent headlines, explains that "Housework Hands become Bridge Hands".

However long a product may have been on the market, and however intensely every possible line of sales appeal may have been exploited, it is generally possible to discover some new angle which can be successfully used as a further spur to still wider sales.

The radio firm which incorporated an electric clock in wireless sets forms another example. The widening of the neck of the jar containing a famous beef extract so that a spoon could be inserted gave the manufacturers a basis for a whole publicity campaign.

Examples by the dozen could be cited; but it is always true—you must keep finding new angles for the sales appeal. The public tire quickly; they must be constantly intrigued by some point that is new.

Use Christmas Gifts

Four years ago a survey of a representative group of both large and small advertisers showed that 16 per cent used novelty gifts at Christmas. Twelve months ago a similar investigation revealed that the number had grown to almost 30 per cent.

From this, one conclusion and one conclusion only can be drawn: the idea proves profitable.

No firm engages in the trouble and expense, comparatively small though both may be, involved in using Christmas novelties merely out of philanthropy. Bigger profits and increased goodwill are the ends which such advertisers have in view.

No business man who plans to use novelty gifts at Christmas time, however, should regard this factor of his propaganda scheme as something to be settled in a few moments. A lot of constructive thought has to go into the choosing of gifts which will be both suitable to the recipients and effective in enhancing the goodwill of the sender.

It is in this that the specialist manufacturers of novelties give valuable assistance.

I have just been looking at some of the things offered by one or two well-known firms for the coming season.

Generally speaking, these novelties can be divided into three classes:

1. The throw-away type costing very little indeed, perhaps less than a

penny, and distributed by the ten thousand.

2. The personal gift, i.e., articles for the recipient's personal use: wallets, diaries, cigarette-cases, propelling pencils, fountain-pens, etc.
3. The general gift type: novelty articles for the recipient to use in his office or at home: calendars, telephone-pads, thermometers, blotters, clocks, etc. Also "specials" made up to the sender's own designs to symbolize his products.

In the first group there are innumerable ideas: puzzles of a hundred kinds, novelty folders, brochures, blotting-slips, etc.

If the second group are included such things as golf tee cases, match-box holders, season-ticket cases, wallets, cigarette-cases, pipes, propelling pencils, pocket knives, pocket diaries, and so on. All these are produced in many kinds of designs and can be lettered or engraved to suit the advertiser.

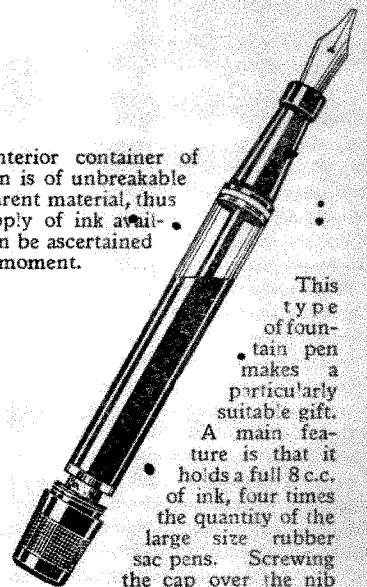
(Continued on next page)

THAT PULL BUSINESS

By C. W. CRAMER



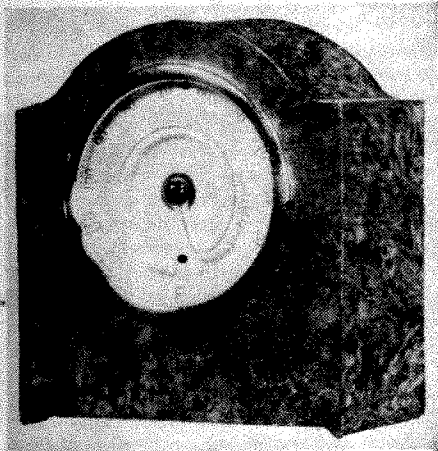
The interior container of this pen is of unbreakable transparent material, thus the supply of ink available can be ascertained at any moment.



This type of fountain pen makes a particularly suitable gift.

A main feature is that it holds a full 8 c.c. of ink, four times the quantity of the large size rubber sac pens. Screwing the cap over the nib hermetically seals the pen. It carries a 10 years' guarantee.

A firm of tile manufacturers had a good idea. It had cigarette-boxes made of delicately coloured miniature tiles, one of the tiles on the lid being suitably engraved. This is a typical example of the way in which a firm can adapt the use of its own products to the Christmas gift business.



To those who want to make gifts in some way connected with smoking, the novelty of this idea makes it an interesting change from the ordinary run of lines.

This year, also, branded tobaccos, as apart from cigarettes, seem likely to be chosen on a much wider scale; and the general rise in prosperity is bringing back cigars as gifts.

In group three, a much wider range of novelty is possible, as not only are

there a host of standard articles to choose from, but advertisers can have their own original ideas made up. For example, one firm of conveyor manufacturers had tall desk lighters made; the stems (about a foot high) were made of chromium-plated steel in the form of spiral chutes in miniature. This was not a particularly cheap novelty, but it was a most effective advertisement, as a thing of that kind could be practically guaranteed a place on the recipient's desk for a full twelve months or more. No one would throw away or dispose of such a handsome thing.

Gifts of a permanent nature are naturally more expensive, but they have a much higher goodwill value than cheap, temporary articles. These two, a new design in thermometers and a pen stand, would be assured a permanent place in the recipient's office



Another firm had little clocks set in miniature travelling trunks. The trunks were of oxidized metal and were most realistic, being complete with miniature destination labels of steamship and railway companies. These, too, would be sure of a place on any well-ordered desk or mantelpiece.

Of the more standardized articles, I saw a wide range of wall and desk calendars, the latter beautifully made in bronze, nickel plate, chromium and bakelite finishes. Of desk and pocket lighters there were many designs. Clothes-brushes, letter-openers, paper-weights, combined corkscrews and cigar-cutters in neat leather cases, desk sets in metal, bakelite and marble were available at all prices.

I have seen some very attractive new designs in thermometers. These have departed considerably from standard practice in that, instead of presenting the ordinary mercury column, they are fitted with a large dial like that of a motor-car speedometer.

A large pointer indicates the temperature. The instrument is thus as easy to read as a clock from a distance. These are made either of a size suitable for desk use or, considerably larger as to dial, for affixing to the wall.

For some time now industrial thermometers have been made on this principle, but it is the first time that I have seen them in this form attractively designed for general use. The idea certainly increases the usefulness of the instrument.

Made on similar lines, for desk or wall
(Continued on page 44)

It would be no exaggeration to say that the style of descriptive matter, the "copy," in leaflets, booklets, catalogues and window tickets used by 80 per cent of the retail drapery houses

ately and without specific qualification. Guaranteed for what, and by whom?

A guarantee without definite qualification is absolutely meaningless.

The words "quality" and "superior,"

ment insisted that every item illustrated be fully and correctly described, without exaggerated superlatives, and clearly priced.

Cut the 'Jargon' out of that Catalogue

By F. T. POULTON

has not advanced one step in the last 50 years.

Only a few of the largest and most progressive stores seem to me to have improved their "copy" to meet to-day's standards of selling.

I have just looked through a hundred average catalogues and leaflets from as many drapery houses, of all sizes, and from many parts of the country. In the majority of cases illustrations of the goods are modern and good—but the copy!

Thousands of times occur the words: unequalled value; unbeatable quality; quality; guaranteed; cheap; a bargain; superior quality; stylish . . . and so on.

All these are trite, meaningless phrases which convey absolutely no information whatever to the prospective buyer. Especially misleading is that word "guaranteed," used indiscrimin-

too, used alone, are devoid of meaning, they do not inform a reader and therefore do not help to sell the goods.

Drapers would add enormously, and without expense, to their chances of selling more goods if they would use only definite "reason why" copy in describing their goods.

Give Customers Credit for Some Intelligence

Describe the nature of cloth used in a coat, say exactly what it is and give the price. The reader has all the intelligence necessary to decide whether, price against the material described, the article is a "good buy."

A well-known outfitting house recently overhauled all its sales literature and made a clean sweep of trite, empty phrases and words. The manage-

These Changes Made all the Difference

The running headlines at the tops of the pages of catalogues were also drastically revised. Here again ridiculous phrases were scouted and sensible expressions used instead. For instance: "Unrivalled Underwear for the Man of Quality," a good example of utter bosh, was altered to: "A Page of Good Underwear." Again, slogans like "The Noted House for Value," "Blank's for Bargains," "Established 100 Years," etc., were scrapped altogether as pieces of fulsomeness worn threadbare fifty years ago. In their place were put sane, conversational expressions linking up with the goods displayed on the respective pages.

On fabrics pages the heading "For the Woman Who Sews at Home," was a quite sensible statement. "These Wraps are Beautifully Warm," "How Old Are Your Kiddies?" (heading to a children's ready-to-wear page), "Shoes for Wet Weather Sports," etc. These headings commanded attention by their simple directness to the goods under review.

(Continued on page 42)

*The Typewriter
that fills the
most exacting
requirements*



MADE IN
ENGLAND



Until you have tried the new No. 19 Bar-Lock you do not know how efficient a typewriter can be. Let us send you particulars of its outstanding advantages and many exclusive features. Free trial for one week in your own office without obligation.

BAR-LOCK

VELVET TOUCH
SILENT CARRIAGE RETURN

Other important advantages include a 9-inch Writing Line, New Paper Feed, Decimal Tabulator (as standard), Instantly Removable and Interchangeable Carriages, Chromium Plated Finish, etc.

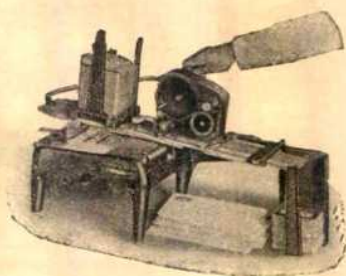


Showing at
EXHIBITION OF BUSINESS SYSTEMS
BELFAST, Nov. 27 to 30

BAR-LOCK (1925) COMPANY, NOTTINGHAM, ENGLAND
Makers of the Bar-let Portable. Telephone Nottm. 75141/2

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FOR the simplest or the most complex problem in ADDRESSING INDEXING and RECORDING there is an answer in the Addressall Indexograph System.



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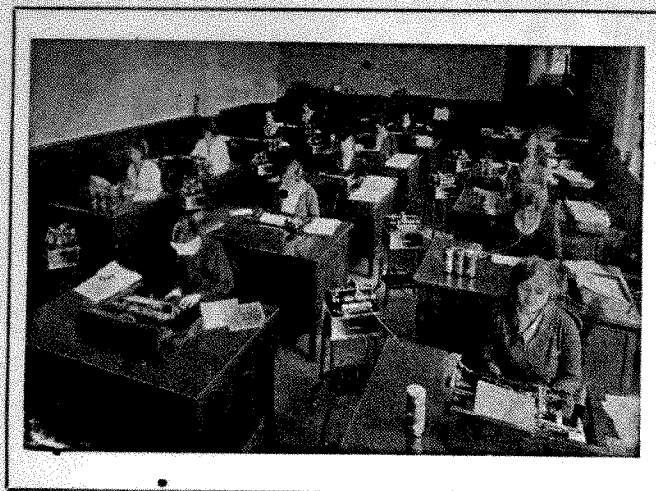
MOST EFFICIENT,
ECONOMICAL,
& RELIABLE

For Sale outright or on Rental

WRITE TO
RELAY AUTOMATIC TELEPHONE SECTION
SIEMENS BROTHERS & CO. LTD
38-39 UPPER THAMES ST., LONDON E.C.4
TELEPHONE • CENTRAL 2332

Telephone : CENTRAL 2332

SEE OUR EXHIBIT AT THE BUILDING CENTRE
158 NEW BOND STREET, W.9



Central Ediphone Transcribing at Offices of
FORD MOTOR CO. LTD.

Installations of more than 100 EDIPHONES

In their offices in Great Britain show that the vast FORD MOTORS organisation believes time-saving methods and machinery to be just as important in their offices as in their workshops and factories.

Technical advances in the design of the PRO-TECHNIC Ediphone include a new recording unit of unsurpassably lifelike tone and several other features of practical improvement.



Write for particulars:

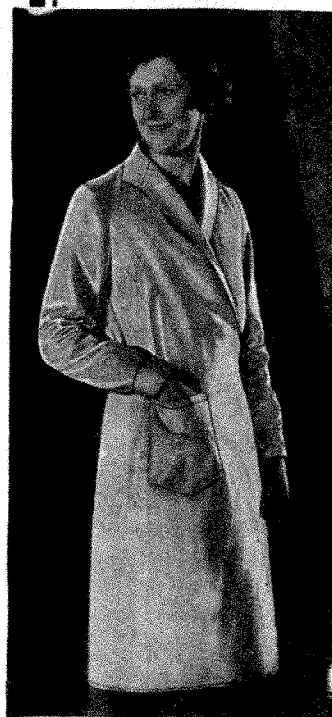
THOS. A. EDISON LTD., Victoria House
Southampton Row, London, W.C.1
Branches and Dealers in all principal cities

Pro-technic

Ediphone
Balanced Voice-Writing

"LYBRO" UNSHRINKABLE WORK GARMENTS

now available in
WHITE and FAST COLOURS



Here's a specimen of a LYBRO WOMAN'S UNSHRINKABLE OVERALL made in the popular WRAPOVER STYLE 594 and now obtainable in a suitable range of FAST COLOURS in addition to WHITE, and all GUARANTEED UNSHRINKABLE and which wash perfectly.

These garments have been welcomed everywhere and have supplied a long-felt need; giving extra satisfaction and economy.

Sample garments and quotations will be sent on application to the sole manufacturers:

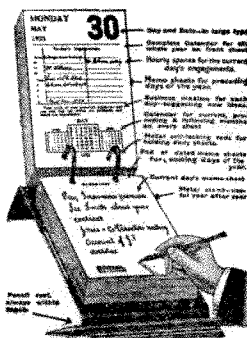
**WORKWEAR
LIMITED**

Lybro Works

Mount Vernon, Liverpool

For Continuous and Effective Advertising
use

SYSTEM DESK CALENDARS



—because "System" Desk Calendars, with your business announcement, printed prominently, but unobtrusively, on each Daily Sheet, will keep your goods or service before the notice of customers or prospective customers every hour of every working day throughout the whole year. Being of exceptional utility, they are assured of preservation and regular use, and as they command more frequent reference than any other article of desk equipment they constitute the best form of continuous publicity at a minimum cost.

COUPON

To SHAW PUBLISHING CO., LTD.
6, Carmelite Street, London, E.C.4

Without incurring any obligation I would like

to have your quotation for.....

.....System Desk Calendars for
advertising purposes.

Name.....

Address.....

Without Obligation
Fill in and Post the
coupon opposite
and you will receive
a quotation that
will be agreeably
surprising.

Could You Use this Plan of Salesmen's Car Renewal?

There is no need to stress the value of the motor-car for the travelling salesman to-day. There is probably not a manufacturer in the country who does not, on some basis or other, employ motor transport for his representatives.

The problem of the manufacturer is more probably: how to keep pace with the best facilities offered by the private car which is maintaining such a speed of development and improvement.

Business men who visited the recent motor show will have understood what strides have been made in the production of the economical chassis. Improved materials and methods of manufacture, higher mileage for given fuel consumption, improvements in transmission have all contributed to lower purchase prices and lower upkeep costs.

Manufacturers are Ready to Co-operate

One of the most important facts for the business man to consider, where cars for his travelling salesmen are concerned, is that to-day more and more car manufacturers are offering to supply new cars periodically on an economical exchange plan. Take the case of one manufacturing firm whose name is known throughout the country. Several schemes for the replacement of its representatives' cars had been tried. The last scheme, whereby the cars had been exchanged for new ones every 3 years, had proved unsatisfactory, for it was found that, while representatives had very little trouble with their cars during the first and second years, in the third the proportion of necessary renewals and overhauls was so high that the men were unable to cover their grounds efficiently.

The transport manager was therefore faced with the problem of remedying this, and the other serious fault: In the second and third years of their lives the depreciation value of the cars was such that they were unable to get satisfactory selling prices or exchange values for them.

A scheme was evolved, not in itself revolutionary one, but which will, it is thought, solve both these difficulties. A car is allotted to a representative, and he is permitted to consider it his personal property. In other words, his use of the car is not restricted to business hours.

The firm have arranged to be supplied with a well-known make of car of the h.p. class on a fleet basis. By purchasing a large number of cars the firm get them at a price below list, with the option of turning in the car at the end of the year and getting a new one in its place, at an agreed charge for depreciation. This is subject to the car being run fewer than 20,000 miles the

Thus, they are able to budget for depreciation charges and running expenses. The table shows how they estimate running costs and on what basis they work.

Representatives' Cars Annual Replacement Scheme		
Estimated running costs based on the cars being replaced every twelve months.		
Petrol, 32 miles per gallon—406 gallons at 1/5	£	s. d.
Tax	28	15 2
Insurance	10	0 0
Oil, 1 gallon every 1,300 miles—10 gallons at 6/6	3	5 0
Garage, per annum	10	0 0
Washing and cleaning	1	10 0
Greasing, decarbonizing, minor repairs and replacements	6	6 0
	£71	10 2

Firstly, the basis is that the average yearly mileage covered by a representative on the firm's business is 13,000 miles, and that the price of petrol is 1s. 5d. per gallon. Should the representative exceed the average mileage, he receives an extra *pro rata* allowance, and should the price of petrol rise he receives an extra *pro rata* allowance for this also. If the price of petrol falls, or the representative elects to use a brand cheaper than 1s. 5d., he is in no way penalized. The cheaper petrols are seldom used, for it is found that to give a representative a new car makes him "car-proud" and anxious to keep its efficiency as high as possible.

Secondly, the insurance covers all risks when the representative, his wife

or other named member of his family drives the car. This item is included in the estimated cost, because, as just stated, the traveller is allowed to regard the car as his own property.

Thirdly, the amount allowed for garaging the car is not high, for most of the representatives have garages attached to their homes. Nor is the allowance for washing and cleaning large, for they are not unreasonable in assuming that a representative who is given a good car will be prepared to do a certain amount of cleaning himself, as he is allowed to use that car out of business hours.

There is no allowance for tyres. This is because the car is new when the representative receives it, and that 13,000 miles is a reasonable life for a set of tyres.

The traveller receives his car allowance in advance, and submits to the head office a monthly speedometer reading. No account is taken by the firm of private use unless the representative's car mileage exceeds 13,000 per annum.

The representative's own estimate of private usage is accepted without question.

This scheme is generous, and because of that the firm think it will attain its object. The efficiency of the cars will be maintained at the highest point possible; there will be fewer delays on the road; the territories will be covered thoroughly, and the firm will be comfortably sure that no business is slipping through its fingers.

Now is the time to consider this question of travellers' cars. The new and most economical models are available and the car manufacturers are ready to co-operate with any business firm in the maintenance of new and highly efficient cars on a fleet basis such as mentioned above.

Prevent Those Wasted HOURS—DAYS—WEEKS

One of the most prolific sources of heavy 'overhead' is preventable absenteeism. Here are two dozen vital points at which the business man can, with very little outlay, check this insidious waste

Absenteeism, from whatever cause, is a definite burden on overhead costs; no employer, therefore, can afford not to reduce this factor to the lowest possible point.

Intelligent welfare supervision, far more than any legal enactment, has done a great deal to prevent absenteeism among work people of all types, from young executives to factory hands.

Not every firm, however, can have a welfare department, or even an individual to spend whole time on this kind of work. But every firm can and should observe a high standard of hygiene in order to make working conditions as healthy as possible.

There are many ways in which management can do this without necessarily making any substantial expenditures.

Good Lighting, Heating, Seating, Improves Office Work

In the office a tremendous amount can be done by observing conditions of lighting, heating, ventilating and seating.

In a forthcoming issue of BUSINESS there will be published a special article on office lighting. But in the meantime a few general points can be looked to. Make sure that every individual is

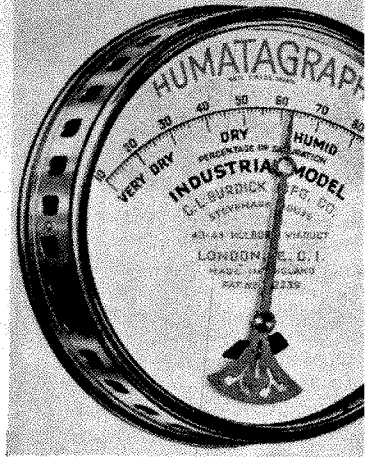
able to do his or her work in a soft light of adequate power. No exposed sources of light should impinge directly on to the eyes; and there should be no heavy shadows falling on any work or apparatus being used. Both glare and heavy shadows cause eye strain and headache, and these lead to absenteeism.

Hot, unventilated air, and air that is too cold are bad for the human system. Maintain a steady, comfortable temperature, with ample fresh air.

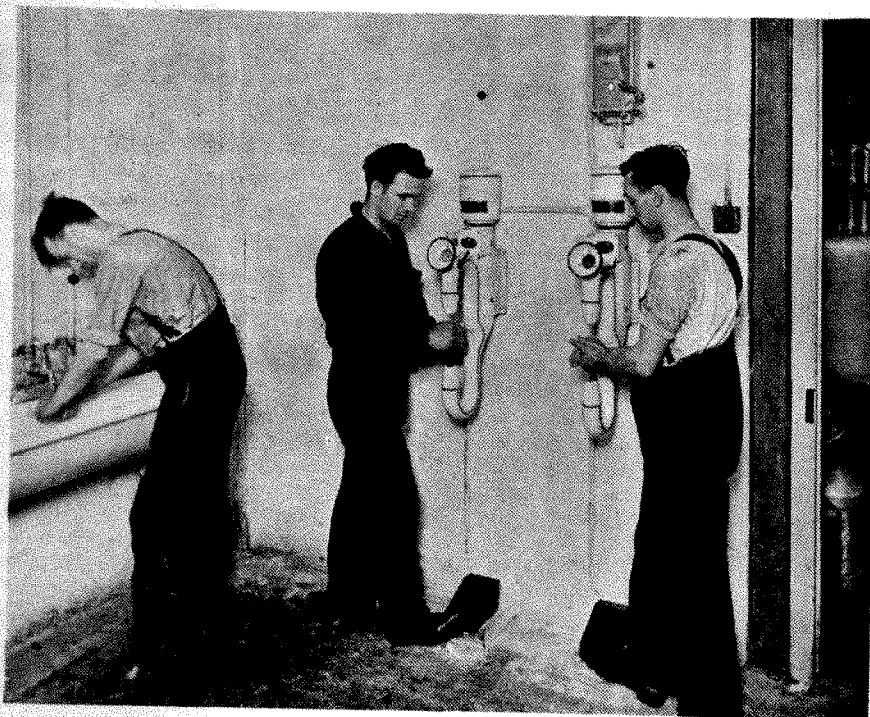
If your building is old and the steam heating system is inefficient, electric or gas radiators can be used to supplement it. If gas fires are used, pay particular attention to the ventilation.

If it is possible to consider such a thing, an air conditioning plant is, of

Right : Health is considerably affected by humidity of the atmosphere. This instrument indicates humidity as accurately as a thermometer indicates temperature. It is as useful in the office as in the factory



Centre : Much more hygienic than towels are these electrically heated air hand-driers. Pressure on a foot switch sends two powerful streams of warm air which converge where the hands are placed. The air stream can also be diverted through the circular nozzle shown for face or hair drying



Floors Should Not Harbour Dust

Other things which definitely maintain health in the office are floors which do not harbour dust and which are easily cleaned. Lino and rubber floor coverings are good, but pets should not be used unless of vacuum cleaning is constant. Floor cleaning needs no difficulties to-day. Machines will wash, dry and polish floors rapidly than could an army of women. The machines are electrically operated and easily used by one operator.

Walls should be of a light color and covered with a washable disinfectant paint. In lavatories, walls, fittings should be of washable material of which there are dozens of brands on the market.

These Lavatory Fittings Very Little

Liquid soap in special containers away with the 'Where's the soap?' problem. Hot air hand-driers, electrically operated by pressure on a foot switch, do away with the dirty towel and are, incidentally, cheaper than towels.

Small deodorizers and air driers effectively purify the air, not only in lavatories but also in offices generally. They can be fitted for a small sum, and are especially valuable in the winter months when colds and other epidemics need to be kept at bay.

In this connection, too, sprays should be considered. With these the air, as well as telephone booths, can be disinfected as many times as necessary with any suitable antiseptic liquid.



Left : Thanks to the research which has been carried out into the subject of seating, an employee can be provided with the exact kind of seat which will enable him or her to work without fatigue. This type shows the adjustment of a back

course, ideal to look after the whole question of heating and ventilating.

Seating is a very important matter, though not sufficiently recognized by managements even to-day. Improper seats for typists and other routine workers induce premature fatigue, a falling-off of working efficiency towards the end of the day, and, in course of time, a permanently weak physique.

There are firms specializing in the manufacture of office and other seats. These firms have fully examined the question of posture and fatigue from the hygienic and medical standpoints. They have, moreover, produced some highly informative literature on the subject. Office managers would do well to study some of this literature; they would find in it information on how proper seating definitely cuts costs by eliminating the element of fatigue.

Chairs specially designed to accommodate the human form in the most efficient way are cheap to install. They soon repay their cost.

WE WANT QUALITY Work by MASS Production Methods

One of the most important developments in the clothing trade was the introduction and the success of the great wholesale clothing and multiple shop combines. Their efforts were in the early days concerned mainly with the production and marketing of inexpensive clothing, and before long they earned the approbrious nickname of "reach-me-down" makers.

It was not long before such firms had to improve their organization and their products, and prove to the public that their "reach-me-down" could be worn by any self-respecting man, and it is a tribute to their vitality that they were able to do this in a very short time.

Our company differs sharply from the types of firms mentioned above.

We Had to Surmount This Difficulty

We established a new sphere of the business by providing ready-to-wear clothes of the high standard formerly obtainable only from craftsmen tailors. This brought us against an obstacle which was difficult to surmount. The public for whom we catered was the public which would normally pay a tailor for a suit made to measure. That public was the one which would be most firmly opposed to the idea of wearing ready-made clothing. This prejudice had to be overcome.

There was an additional difficulty. We did not distribute direct to the public through our own shops; we are solely manufacturers, and our customers are the retailers.

Retailers with good connections were naturally reluctant to branch out into what was virtually another field of business; unless they were absolutely con-

vinced that our new products would find favour with their sceptical customers. This problem has affected us a great deal ever since we began business, and we realized that the first thing we must do was to convince the retailers that we could actually fit any figure from stock.

There is only one way of sustaining such a broad claim, and that is by actual demonstration.

Experience has shown us what range of fittings we normally require, and how this complete range is kept permanently in stock in our new showrooms.

Here we receive our retail customers. Many of them are inclined to be dubious when we first make our claim for the comprehensiveness of our range. At this point we ask the customer or the prospect to remove his coat, and from stock we produce a garment which fits him perfectly. Then, while he is admiring his own smart appearance in the mirrors in the room, we can tell him about the quality of the material, and the good points about our products. This goes a long way to impress him with the truth of our statement, and the matter is usually clinched when we produce from a press a garment made in the year 1898 by the founder of the firm. We explain that this garment was in daily use up to two years ago, when we obtained it from the owner in return for a new suit and made it our proudest museum specimen. The retailer normally knows as much about tailoring as we do, and he invariably admires the perfect craftsmanship displayed in this old frock-coat.

A comparison is then made between the work in this garment and the work in any garment which he chooses from the stock. The comparison usually

*this is how
we get it*

shows that the work done in our factory is in no way inferior to that done by hand so long ago.

We have fitted in our showrooms a very large window, with a north light so as to ensure the impartial judgment of cloth easy. This also helps to give our customers the feeling of confidence which is necessary if they are to be successful in selling to the public the goods which they have purchased from us.

Cost-Cutting, Yes: But Not Cheese-Paring

The remainder of this article is devoted to a catalogue of some of the provisions we have made in our new premises, which have the triple object of facilitating the production of the best possible garments, keeping down the costs, and making our workpeople comfortable in their work. It should be noted that when we mention "keeping down costs" we do not mean "cheese-paring". For instance, whilst most of the processes in the manufacture of garments are carried out by mass-production methods, the finishing of every garment is done individually. The cost is higher than it would otherwise be, but we have the satisfaction of knowing that no slack work is allowed to go unremedied.

The provision of three buying rooms in the new factory enables us to see every traveller who calls, and to give him a sympathetic and quiet hearing, free from interruptions. Each room has one wall completely composed of window space, with a north light for cloth examination. Travellers appreciate this because they knew that when their goods are bought they are bought on merit alone, and that no merit will be allowed to pass unnoticed.

All our book-keeping is done on standard-sized sheets, a system which facilitates the making and the storing of records, and economizes space.

*Short-Cuts, Plans and Ideas from the
factory of*

C. & M. SUMRIE, Ltd.

*of Leeds who are manufacturing for
a highly sensitive market as will be
gathered from the opening of this article*

When orders are received, they are transcribed on a quadruple sheet. One copy is kept in the office for invoicing; the second goes to the cutting-room; the third to the dispatch department so that a delivery note can be made, and the fourth to the cloth room for a stock record. The old system of having a separate entry for each of these purposes made possible many intermediate clerical mistakes between the receiving of the order and its delivery. Now these mistakes are impossible.

When cloth is received it enters the building by the reception bay on the ground floor and goes immediately to the cloth rooms, on the same floor. Wanted for a garment, it is sent from the cloth rooms to the cutting room, still on the ground floor, and after that the cut garment is tied in a bundle and sent to the various departments by lift. As far as possible, the processes of manufacture begin at the top of the building and finish at the ground level. There is nothing new in this, but it enables us to have a most useful labour-saving device—a chute—down which the garment is sent to the department which requires it next. Finally it arrives at the pressing and finishing departments on the ground floor, from which it goes to the stock room. The chute saves much time and money

which would otherwise be spent in inter-departmental transport.

A progress ticket accompanies every garment throughout its route. This ticket is perforated, like a sheet of stamps, and each perforated square represents one process in the manufacture of the garment; when a process is finished, the corresponding square can be torn off and used for book-keeping purposes. Thus, by a glance at the amount of ticket remaining with a partly-completed garment, we can tell at once what amount of work is still to be done and so judge the time necessary for its completion.

Like the buying rooms, the cutting room has one wall completely composed of window space. Again the light is north, to facilitate cloth matching.

The designers do not confine their efforts to evolving fresh designs for garments: they have a roving commission to make suggestions for improvements in any process of manufacture which they may notice. This plan is followed because the designers, more than anyone else, are in touch with the garments right to the actual selling of the finished product.

As we keep a fairly large stock, it is necessary to see that the garments are clean and fresh; our stock room is

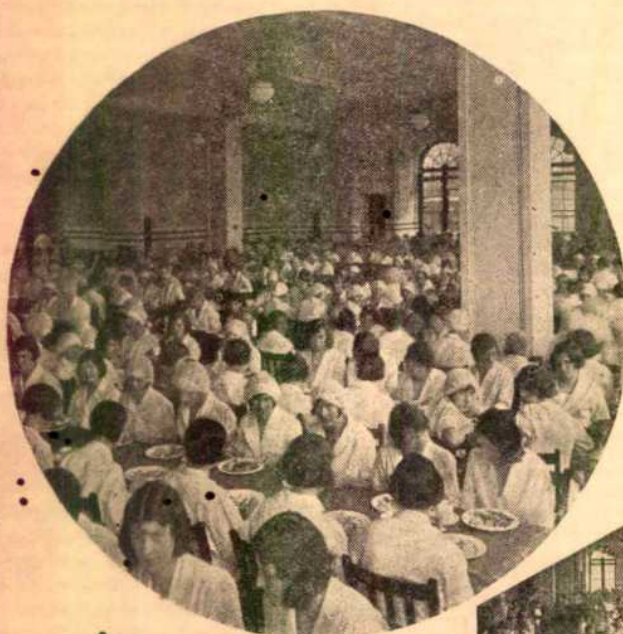
therefore fitted with double doors to prevent the intrusion of dust. A special air-conditioning plant has also been installed. Any small amount of dust which may intrude in spite of the double doors is prevented from affecting the garments by the outlets, which are at the level of the floors. The suction from the room is so great that the dust has no opportunity to settle on the garments. Thus they are kept in perfect condition for selling.

The switch for the stockroom light operates a red warning light outside the door, so that it is not possible for anyone to be locked in by mistake.

In all departments the heating apparatus is near the ceiling. This is because heat rises. Special vanes on the apparatus and the ceiling reflect the heat downwards, so that the hot air is compelled to travel all round the room, assuring an even temperature. This prevents any of those chilly spots which give employees colds in winter and thus reduces efficiency all round.

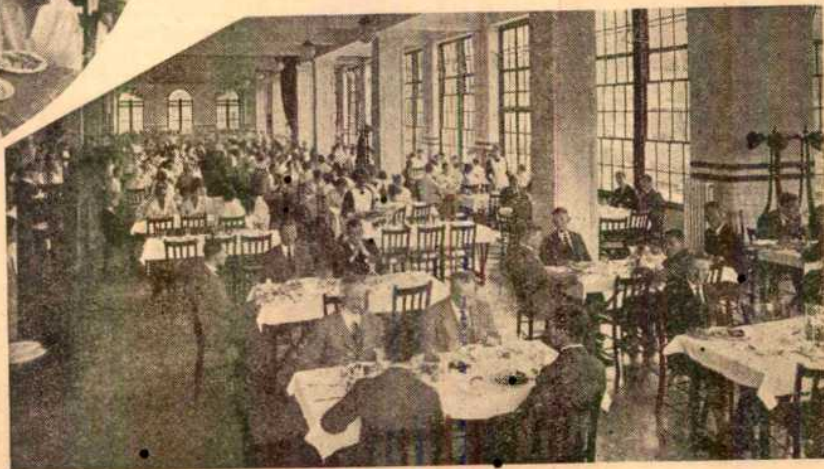
Throughout the factory we have point lighting. Each light has an individual switch, so that we are not compelled to have several lights burning when only part of a department is

(Continued on page 38)



Circle: Part of the main girls' dining-room. Here meals are served on the cafeteria principle, all goods being paid for before the customer leaves the counter.

Right: This is the fine Terrace restaurant. The meals here are charged for on a slightly higher scale than in the dining-rooms, though both are open to all grades of employees. There are separate restaurants for directors and administrative staffs.



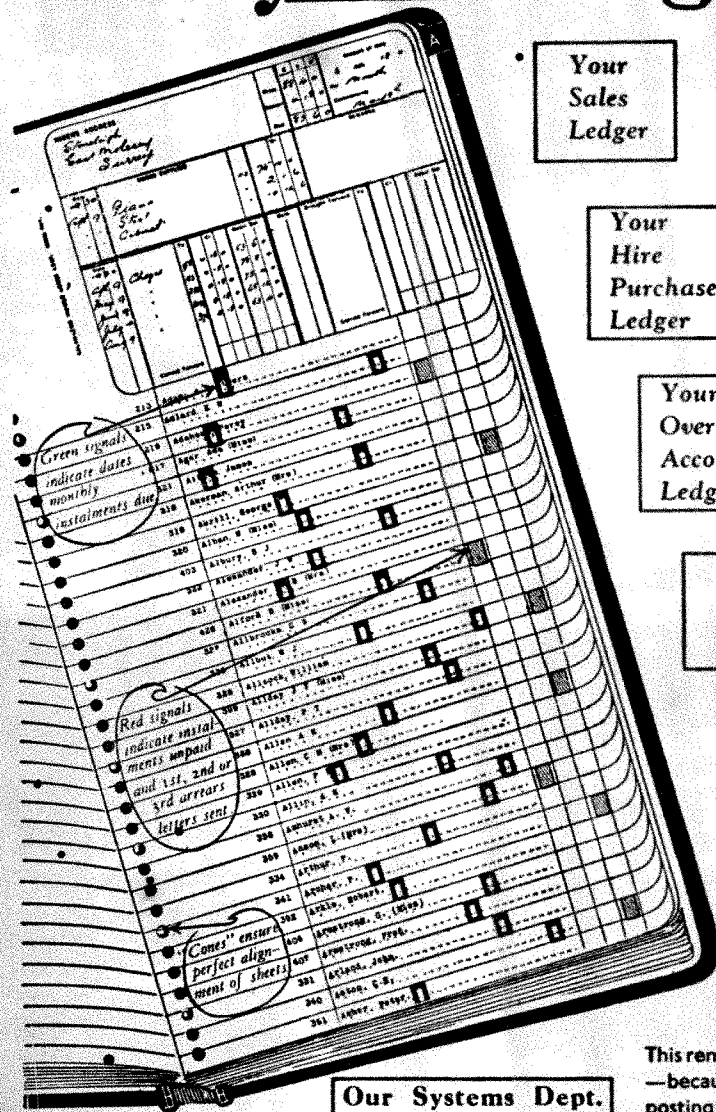
CANTEENS AT BOURNVILLE

At the Bournville canteens Cadburys cater for some 5,000 people per day; this is for regular meals. In addition, the canteen staff provides for all the firm's social functions, conferences, visitors' meals, and for the many sports clubs' refreshments.

One of the most important points of the canteens' organization is to serve the employees quickly and to let them get away quickly.

This aim is considerably helped by the exhibition of two days' menus, thus allowing users to select and order their meals a day in advance. Each "customer" has his or her regular place, and each table is served regularly by the same waitress.

Does your Ledger do this?



All names in above illustration are fictitious and relate to no living person.

Our Systems Dept. will be glad to tell you all about the Visible principle and how it may profitably be applied to your business. Will you consult them — without obligation?

Your Sales Ledger

Does it show you 30 customers' accounts on each "page"? Does it tell you when you lose a customer — when a customer hasn't ordered for 6 months — when an overdue account is at danger point — the result when put in hand for collection?

Your Hire Purchase Ledger

Does it show you 30 customers' accounts on each "page"? Does it tell you date each customer pays — who have defaulted — whether these have had 1st, 2nd or 3rd "arrears" letter — the subsequent action taken? (See illustration).

Your Overdue Accounts Ledger

Does it show you 38 accounts on each "page"? Does it signal how long overdue — the number of applications for payment — the action taken — when account is clear?

Your Stores Ledger

Does it show you 30 different items on each "page"? Does it warn you which are obsolete and must be got rid of — which are getting low — which are well up to maximum?

If not — there is the
Kalamazoo
**VISIBLE
LEDGER**
which *does!*

This remarkably successful Book for accounting and recording — because it is a Book — gives you not only (1) Express-speed posting and reference (2) Complete control of each account or record by signal, but also (3) Absolute security of sheets (4) Ideal compactness (5) Easy portability . . . AND its price is very reasonable.

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(Proprietors: MORLAND & IMPEY, LTD.)

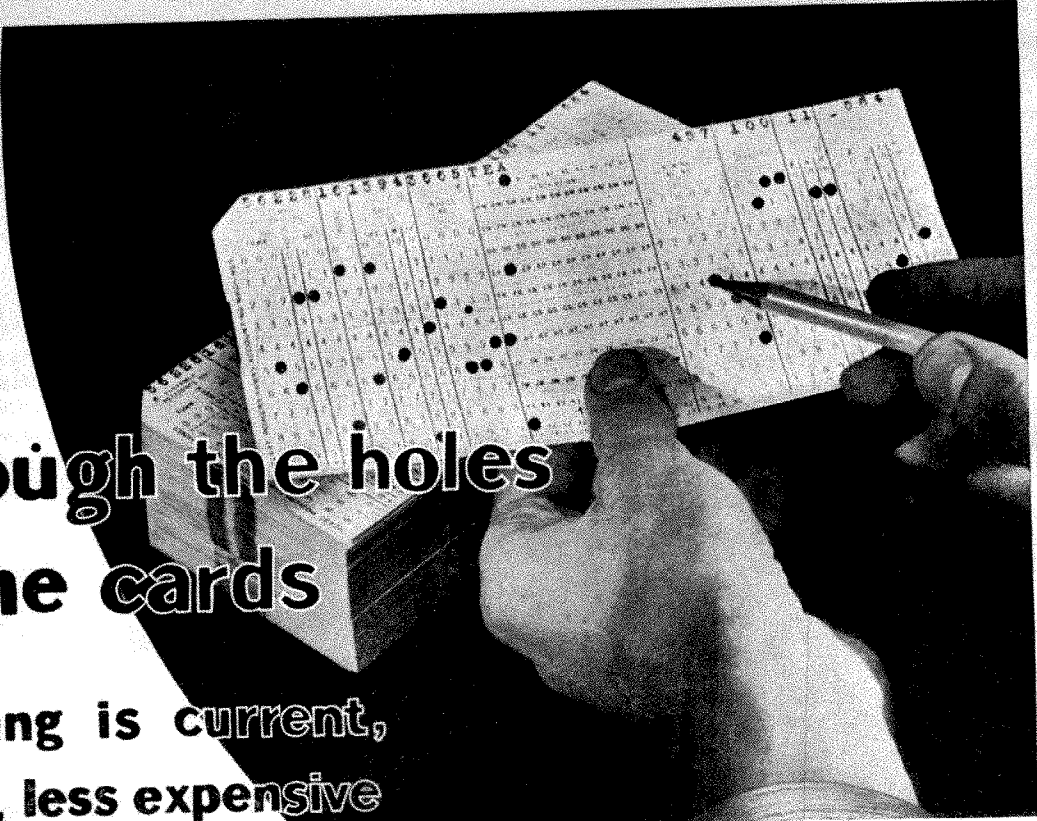
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Through the holes in the cards

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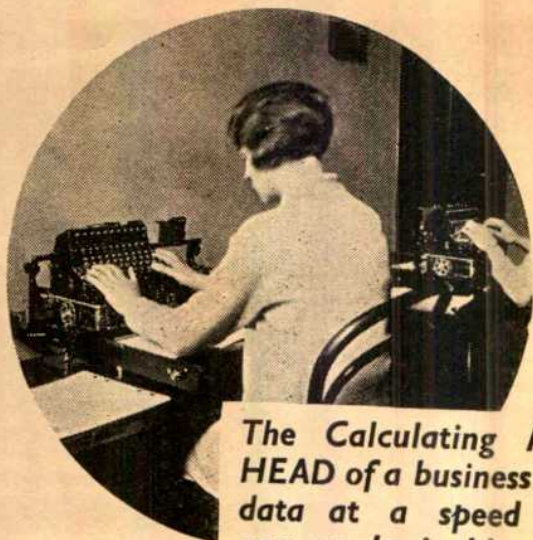
In to-day's highly competitive markets, management requires more from figures than the financial position at the end of a definite period. The whole basis of the modern Punched Card System of Accounting is to record every transaction in such form that it is not only usable for the quick performance of the ordinary routine of accounting but is instantly available to produce comparisons and analyses for management. The value of these reports lies in the fact that they are complete and current. Disclosures are made in time for correction of policy.

The POWERS CARD is the basic accounting record, [readable if desired. The location of the holes in the card determines the words and figures that will appear in the books of accounts. Through the Powers Automatic Punch the original records are transcribed into Punched Cards. The POWERS SORTER receives the cards and arranges them by any common denominator. Because of this mechanical means of sorting all kinds of analyses for management are possible. The POWERS TABULATOR interprets the holes in the cards and produces in printed visible form the various records required for routine accounting as well as reports for management.

Write to-day for the Powers Booklet 'Accounting for Management Control' which fully explains how the Powers System can be applied in your business.

POWERS-SAMAS ACCOUNTING MACHINES, LTD.

ALDWYCH HOUSE, ALDWYCH, LONDON, W.C.2



The Calculating Machine can aid the HEAD of a business by providing him with data at a speed and with an accuracy unobtainable by any other means

Facts and Figures WHEN You Want Them

Ninety per cent of routine office work to-day consists of figures of one kind or another. Each day an army of clerks attacks such jobs as invoice extensions, checking and proving sales slips, the preparation of cost figures, the calculation of estimates and quotations, the figuring of payrolls; and this continuous arithmetical work forms the very basis of the statistical records which provide the busy executive with his unflinching means of control over the progress of his organization.

To an ever-increasing extent the supreme value of mechanization is becoming recognized, for it is elementary that slow, brain-wearying pencil-and-pad methods cannot produce that uniform accuracy and speed which are essential.

The calculating machine takes all the hard work out of figuring by ensuring a mechanical accuracy which leaves the operator free to concentrate upon the result rather than the means.

With calculating machines, cost figures can be carried to five or more places of decimals with the greatest of ease, engineering calculations can be

made with minute accuracy, the most exacting mathematical tasks can be performed with lightning speed, and the

By
C. H. COSTELLO
A.C.I.S., A.C.W.A.

complicated problems peculiar to our systems of weights, measures and currency are no longer formidable.

These Two Machines Do Different Jobs

There are two kinds of calculating machine: the key-driven, where the mere operation of recording by pressing down the appropriate keys at the same time effects the required calculation; and the crank-operated type, where setting and calculation are independent operations.

The crank-operated type may be further divided into key-set and lever-set machines.

The key-driven type is distinctive in that it performs multiplication and division as extended processes of addition and subtraction. It follows, therefore, that this machine is most effective where the bulk of the work consists of the simpler arithmetic processes.

The crank-operated machine provides for the setting up of the amount on the keyboard and turning the amount into the dials by means of a crank, or a touch bar, as in electrically operated models. With the lever-set machine, the amount is set up by means of the levers and turned into the dials by a crank. Subsequent operations are performed by turning the crank in one direction for multiplication and the reverse for division.

Electrically-driven types have increased speed and need less physical effort. In some machines, multiplication is performed by means of a key or plus bar, in others an additional row of multiplying keys is provided. In either type the process of division is made automatic by locks or bell signals.

The crank-operated machine is mainly for the more involved processes of multiplication and division and shows to best advantage here.

Referring to the difficulties inherent in our system of currency, it is interesting to note that there is one inexpensive crank-operated machine which has been specially designed to cope with them.

(Continued on page 40)

SAVE THOSE WASTED HOURS — DAYS — WEEKS

(Continued from page 28)

In winter very few firms, either in offices or works, provide any facilities for the proper drying of coats, etc.

In some large buildings racks are arranged in the boiler room in the basement, where coats, etc., can be dried on particularly bad days. In outlying districts, where workers cannot get conveyances to bring them near to the works in bad weather, the management should give some thought to this problem.

Overalls are Useful in Almost Every Industry

The question of overalls and uniforms

applies particularly to factory workers and depends a good deal on the nature of the work involved.

In general, however, it is true that it is more hygienic for workers to wear good, clean uniforms of some kind than to work with their own clothes constantly exposed to factory conditions and materials. This applies whether the nature of the work is dirty, such as in engineering, or highly delicate and clean, as in foodstuff manufacture. In the one case uniforms protect the worker, and in the other they protect the materials being worked upon.

Do Not Overlook the First Aid Cabinet

Without going at all into the possibility of having medical, dental and other complete forms of health service, even the smallest firm should not neglect the fitted first-aid cabinet for use in case of minor accidents. Where it is at all possible, too, some one individual on the staff should be sought who knows the elements of first aid, and he or she should be detailed to look after the cabinet and any cases which come up for treatment.

In most organizations it is usually possible to find a person who has at least some knowledge of this kind.

No cut, scratch or bruise, especially if contracted in a factory of any kind, should be allowed to go untreated. Many weeks of absenteeism may be prevented by timely and proper attention to a small injury.

Accurate. Petty Cash Control . . . *for the small firm*

Even in 1934 there are still businesses that may even be termed fairly large concerns which still treat the petty cash book as nothing more than a memorandum book, a memorandum book, moreover, kept in a very slovenly way.

There is only one system of any value at all, for after all this book is one of original entry with the exception that its receipts are solely obtained by reimbursement cheques drawn on the main cash book.

Many traders enter up in the petty cash small items of actual cash received, but this practice is not advisable, and it is necessary, therefore, for all cash received to be paid into the bank.

The following procedure is the best for the purpose of keeping the petty cash:

Ascertain the probable amount of cash required weekly for this expenditure, and presuming it to be £30, draw a cheque crediting the main cash and debiting petty cash with this amount.

During the first week the expenditure, say, amounts to £21 4s. 8d., then draw a cheque for £21 4s. 8d., which will again bring up the amount in hand to £30.

This method is adopted throughout the year, so that at any time the clerk in charge should be able to produce £30, either in cash or vouchers.

If it is found later that £30 is insufficient for a week's expenditure, an additional cheque for £10, say, can be drawn, bringing the new balance to £40.

The numbering of vouchers and insertion of corresponding numbers in the voucher column is carried out in the same manner as for the main cash book.

Keep this Strict Rule: a 'Slip' for Everything

It must be remembered that it is not always possible to obtain an "outside" voucher, but a rule should be made that for these particular items a petty cash voucher slip should be filled up and signed by the person who made the payment. (See illustration of petty cash voucher.)

There may be the following amounts paid out by the staff who did not, or could not, obtain outside vouchers: Tea for office; bus or small travelling

expenses; tips for some particular service; a subscription; Christmas boxes, etc.

For any of the above or similar items, a slip should be made out by the person who made the payment, which should be countersigned by a manager or some authority before it is entered by the petty cash clerk.

With regard to the analysis columns, these must be regulated according to the requirements of the business, and should be entered or curtailed as desired. A discount column is required in connection with any small bought ledger accounts which are paid out of petty cash.

The ledger accounts column, apart from the bought ledger column, is used for direct postings to any other ledger, and is used chiefly for items which do not often occur.

The total of the ledger accounts and bought ledger columns do not require to

[illegible]

be posted, as do the remaining columns, viz., to the debit of their respective headings.

The total of the discount column (which resembles the discount column of the main cash book, payments side) is posted to the credit of discount account.

The book should be balanced weekly (or monthly), and the cross-cast of the analysis columns (excluding discount column) must agree with the total payment column.

The totals of the analysis columns should be carried to a summary at the end of the book, and those which require posting should be posted either half-yearly, or when convenient to the debit of their respective accounts (discount to credit of discount account), to save posting these totals every week.

Half-pennies should be disregarded and adjusted from time to time if necessary.

Travelling, postage, carriage, etc., are instances of expenditures which are invariably passed through this book, with the consequence that any increase in the above-named or other expenses would be overlooked unless brought to light in the analytical columns.

Each analytical column should have its own heading, as it will only cause confusion if *postages* and *telephones* are mixed up in one column for the sake of space, which would, in addition, defeat

the object of the ruling of the book.

Headings appearing in the petty cash must be similar to those accounts opened in the Impersonal Ledger; it is useless to keep postages and telephone charges in one column if there are separate accounts for these in the ledger.

No petty cashier should be allowed to

in connection with petty cash, for, apart from this bad and prevalent practice, it is not fair to the clerk in charge to be constantly approached by the staff for advances, thereby depleting cash which may be urgently required.

Any advances made to the staff should be carried out by cheque and accounts

PETTY CASH VOUCHER				
Where Slips are drawn for payment without proper Receipt this Voucher must be made out and Passed as Receipt.				
June				
3	Carman, tip			1 -
PASSED BY <i>CWP</i>		RECEIVED <i>[Signature]</i>		

Forbid, absolutely, the use of I.O.U's; they are one of the most prolific sources of 'unbalanceable' petty cash accounts

take any money from any source of disbursement other than from the amount drawn for reimbursement, and if even a shilling is received for a cash sale it should be paid into the bank.

The question of obtaining vouchers for every payment is a most neglected feature, and should be insisted on, as already explained, for no one can write up expenses accurately from memory, however small they may be.

I O U's should be strictly forbidden

opened accordingly, if such a state of affairs is necessary.

Scientific accountancy is a necessity to slack bookkeepers nowadays who will not get out of the old grooves.

It is not argued that this or any other system will prevent fraud, but any expenditure which is rapidly increasing will be immediately disclosed by the columnar form if the dissection is properly carried out. Narration should be brief, unless of a very special nature.

On one of the "general business" floors of a Fleet Street publishing house, the "open office" plan was adopted. This was done mainly to secure a better distribution of daylight

corner of his desk, to drift into the subject of holidays, coming football or something of that sort. What should have been a 30-second talk, lengthened into one of 5 or 10 minutes.

the various people to wander about as freely as before. The fact that a young person could no longer see a friend 10 yards away kept from his or her mind the idea of strolling over to have a talk with that friend.

Similarly, the arrival of callers from outside and from other floors was not so obvious and therefore aroused less attention.

On the other hand, essential communication was not hindered by the cubicle plan, nor was the distribution of light and air interfered with.

The arrangement has enabled the office to produce much better results through employees being able to concentrate more on their work.

This 'Open Office' Plan Didn't Pay

and better circulation of air than was possible by the system of a multiplicity of small offices on one floor.

A problem at once arose, however. The clerks in the open office were not on "mass production" or routine work. The majority of them were concerned with special individual jobs connected with widely different subjects. Hence it was not possible to have a general supervisor or room manager.

In the absence of such control it was found that employees on this floor tended to wander about a good deal and indulge in far longer personal discussions with one another than the work actually warranted.

There was no suggestion that this sort of thing was intentional, but the easy access which one employee had to another unconsciously encouraged it. Whereas a young man might quite legitimately need to walk over to a colleague to ask a certain question or discuss a certain matter about the work it was so easy; just sitting there on the

Then there was the factor of "distraction". One side of this open office contained a number of small closed offices for departmental executives. There was constant traffic of persons from other floors, and from outside, to these offices. Such traffic had a disturbing effect on the workers in the open office.

The management saw the gradual increase in the waste of time which was occurring in this open office and decided to check it.

It was not desired, for hygienic reasons, to close in the floor with a number of separate offices. Desks, therefore, were ranged as close to the wall as possible and cubicles, rather like large stalls in a stable, were made of light wood and opaque glass.

Each cubicle held from one to three employees.

Even though the cubicles had one open end and were, of course, open at the top, they provided a sufficient barrier to check the tendency among

When You Post Abroad

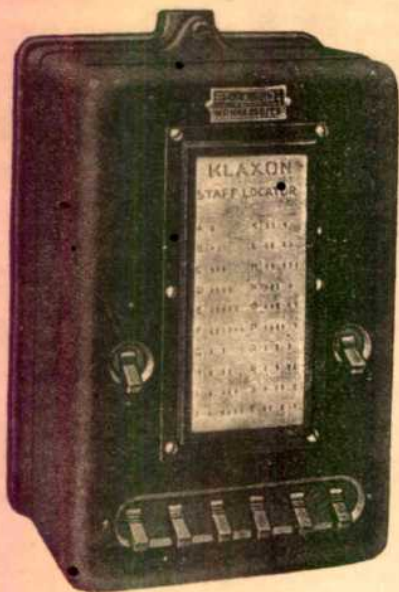
Here's a useful idea used by one business house; it could well be adopted by any firm having correspondence abroad.

Envelopes, no heavier, but of better quality and tougher than those for inland postage are used for posting abroad. Typists are instructed to use these stronger envelopes for any foreign address.

In the space where the stamp will go is printed the note:—"FOREIGN. Stamp Carefully". This helps the mail room.

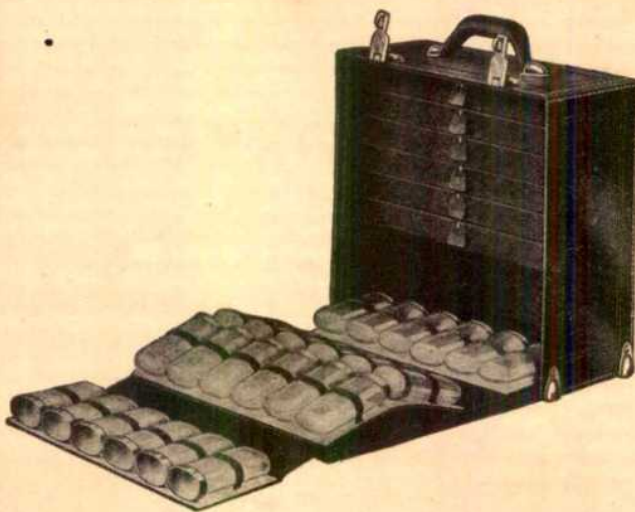
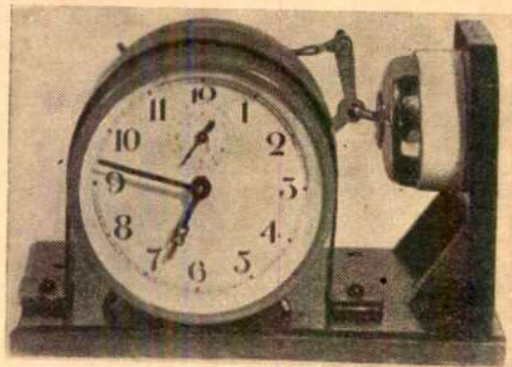
On the back of the envelope is plainly printed the name and full address (including the name of the country, England) of the firm to facilitate return in the case of non-delivery.

Among The Latest In BUSINESS EQUIPMENT

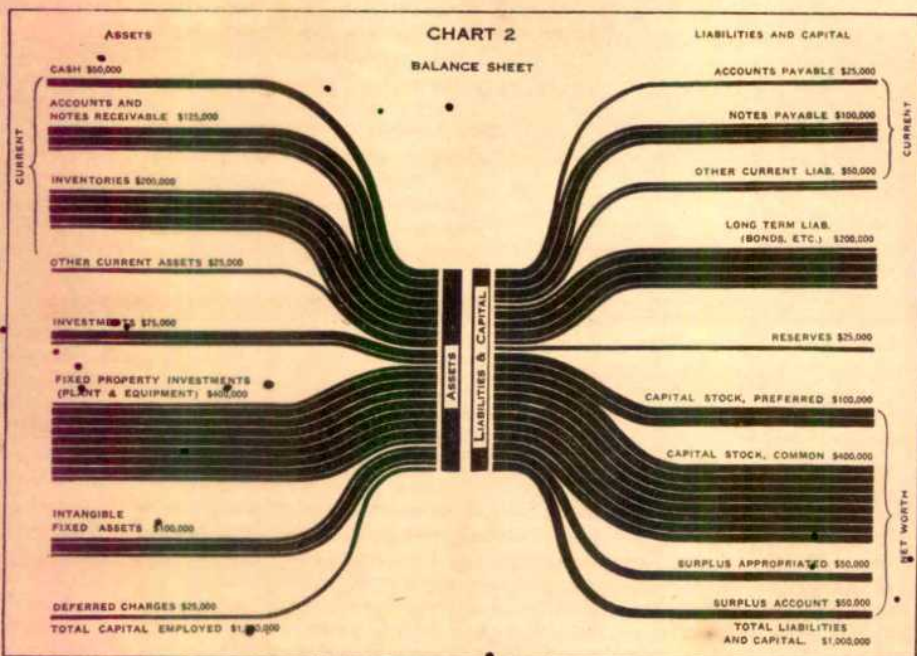


Above: This staff locator enables a system of code calls to be used at one or more points in an organization. It is easily installed, requiring only two wires to each point. The key to the twenty code calls is given in the chart on the front panel, control being by six lever switches operated by the switchboard or any other attendant. The locator enables immediate contact to be made with the works manager or any other individual by means of a pre-determined recognised code call

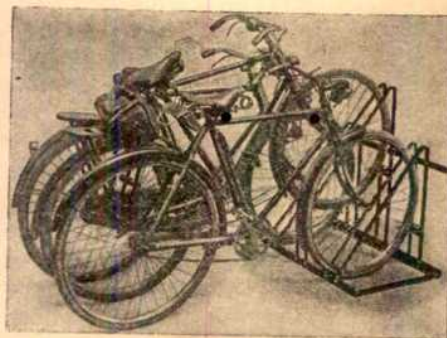
Right: This is a time switch for electric lighting circuits produced for those who want an apparatus at a particularly economic price. The mechanism is designed so that switching on cannot take place unless the clock is wound, thus the operation is virtually mistake-proof. Principal applications of the time switch are: shop windows, automatic vending machines, signs and arcades. The clock, incidentally, can act as a public timepiece in shop, arcade or elsewhere



Left: This is only one example of a wide range of sample cases designed by a firm of specialists to meet all kinds of particular needs. The idea behind the plan is to provide the salesman not only with a case which is compact and easy to handle, but one which also is designed specifically for his goods, and which, by good, business-like appearance, creates a favourable impression on the customer



Above: This is a new device which produces graphic analyses of figure facts without the drawing of graphs. The underlying principle is that it furnishes a flexible charting medium of white material, in the form of strips of paper which are laid out and fastened to a background of black board. The board is then photostatted and the negative print is the finished chart. It is claimed that charts can be made up in this way not only more quickly, but also more accurately than by hand drawing, even by a skilled draughtsman



Above: The proper storage of employees' bicycles claims attention of the management of every industrial works. The device shown here is the outcome of careful study of this problem by a specialist firm. The racks have been reduced to the simplest possible design, but they are made sturdily in steel. An outstanding feature is that the racks are in short lengths, each holding 3 cycles, so that any total length of rack can easily be made up at a low price per unit. The racks, while self-supporting, can, if required, be anchored to floor or wall. Furthermore, if space is limited they can be supplied to house the cycles at an angle, so that the space occupied is little more than 18" from front to back. The normal depth, front to back, is 21"

LONDON TALKS WITH OVERSEAS STAFFS

(Continued from page 13)

effect and evokes the right response.

The fact of a managing director himself talking direct to his overseas colleagues is inspirational; that is no exaggeration. Britons throughout the Empire are, almost without exception, far more pro-British than are the people here at home. And this is a point of great significance which too many manufacturers doing business overseas fail to recognize.

By demonstrating convincingly that head office is personally interested in, and is personally backing, overseas efforts, the goodwill of personnel—though thousands of miles distant—is cemented to the parent company, and stimulated in a way that is impossible by any other policy.

Plan No Trouble to the Business Man

The pure mechanics of such a conference as we had throws no labour of organizing on to the business man. What actually happened was this. We told the Post Office exactly what we wanted to do, and within a few days had completed the link-up and we were ready to speak.

Though we ourselves, as I say, had nothing to do with the technical arrangements, we had to draw up our programme with some care to ensure the maximum advantage from the minimum expenditure of time and money. Actually, having regard to the scope of the conference, its cost was surprisingly small.

First, then, my own opening speech was prepared at ordinary length. This was done so that every necessary point could be covered. Next the speech was pruned of all superfluous wordage; that reduced it by about half. Then, by very intensive sub-editing, it was narrowed down still more till the real "meat" only remained.

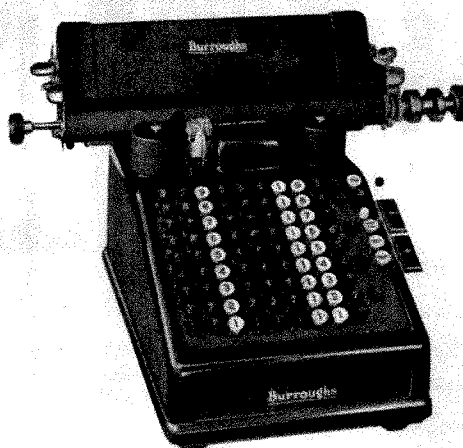
We then allowed a few minutes for the overseas men themselves to send greetings, replies and to exchange a word or two with one another.

The broadcast took place from my own office; I occupied my usual place at my desk. The essence of the thing was that it should be purely a business undertaking, a man-to-man talk, without the barrier of distance.

In one way, as a matter of fact, we did make the occasion a little more elaborate than is usual with a piece of ordinary routine. But there was a reason for that.

To secure the full "get together" effect of the conference we did not confine the meeting to the top executives all round. Earphones for listening-in were provided for about fifty people, while loudspeakers were installed in the general office to enable the London office staff to hear the proceedings.

We wanted the whole organization



BURROUGHS *desk model* BOOKKEEPING MACHINE

... **CONVENIENT**—no bigger than a typewriter ...
PORTABLE—easily carried ... **FAST**—electrically driven ...
SIMPLE—anyone can use it ... **AUTOMATIC**—adds,
subtracts, balances all accounts daily ... **FLEXIBLE**—posts
ledgers, prepares statements, handles all book-keeping work
... **INEXPENSIVE**—brings advantages of modern machine
accounting methods within reach of smallest business.

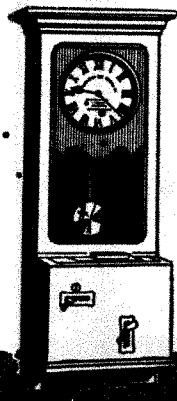
Burroughs

BURROUGHS ADDING MACHINE LIMITED

Chesham House, 136 Regent Street, London, W.1

Phone: Regent 7061 (Private Branch Exchange). Branches in principal cities.

Burroughs manufacture a complete range of Accounting Machines, Adding Machines, Statistical Machines, Typewriter Billing and Bookkeeping Machines, Calculating Machines, Cash Registering Machines, etc.



MINUTES COUNT

in your Profit and Loss account just as money does. Reckon up the time lost through bad time-keeping—time during which your overheads are mounting; then you will see the wisdom of installing the famous "G.B." System. In times like these its an economy, and quickly pays for itself. *British throughout.*

Send for Catalogue.

GLEDHILL-BROOK TIME RECORDERS LTD.
38 Empire Works HUDDERSFIELD

GLEDHILL-BROOK

*Makers of the famous
"MONARCH REGISTER"*



GAINSBOROUGH PRESS

FISHER, KNIGHT & Co. Ltd.

Head Office and Works:

**LATIMORE ROAD
ST. ALBANS**

Telephone: ST. ALBANS 1111-2

London Office:

34 PATERNOSTER ROW, E.C.4

Telephone: CITY 3200

A MODEL FACTORY WITHIN
20 MILES OF LONDON WITH
MOTOR AND MESSENGER
SERVICE TWICE DAILY.
REPLETE WITH MODERN
HIGH-SPEED MACHINES
CONTROLLED BY PAIN-
TAKING CRAFTSMEN NIGHT
AND DAY

**SPECIALISTS in THE ART
OF GOOD PRINTING**

**HIGH-CLASS
CATALOGUE, COLOUR
& COMMERCIAL WORK**

to feel that they were in on this important matter. We wanted everyone, from office boy up, to realize that their efforts, in whatever sphere, were understood by the management to have contributed to our fine year. Moreover, we wanted to transmit to our friends abroad the true atmosphere of the actual offices here which most of them know so well.

Our Dominion executives had invited their staffs and some of their important clients to utilize this opportunity to get into personal touch with us in London.

We wanted our overseas friends also to feel that, though thousands of miles away, London was personally interested in their problems and appreciated their business.

Cost No More than Phone Calls

Now this world phone conference lasted only ten minutes. It cost us no more than an ordinary overseas telephone call to each of the centres separately. But the tone of the cables and letters of appreciation which we subsequently received prove beyond a shadow of doubt that it was the most successful goodwill promoter we had ever undertaken.

With our staffs and customers out there, headquarters in London is not a mechanical bureaucracy thousands of miles away, oblivious of personalities and intent only on getting orders. It is the live centre of a big family, ready to assist in every possible way. And it is, above all, *human*.

Speaking from a good many years' experience, it is my opinion that a close *personal* association with all overseas connections is one of the most valuable assets a firm can cultivate. It is no mere point of sentiment: it is a major point of management policy and should be developed by management to the fullest possible extent. It is a definite goodwill and business builder.

QUALITY Work: Mass Production Methods

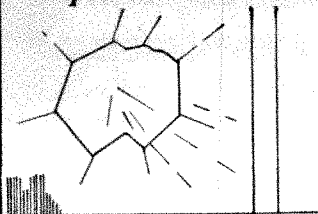
(Continued from page 30)

working. As the points are arranged to give the necessary amount of light in each case to ensure efficiency, we can insist on economy in lighting. The cost of the separate switches is more than offset by the saving which they bring.

As some of the processes of manufacture are very noisy, it is not possible to have loudspeaker telephones to summon executives who are wanted in another department. Accordingly, we have a system of lights and buzzers, controlled from the office of the telephone operator, which does the work equally well.

(Continued on page 41)

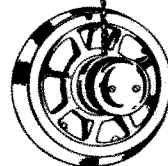
Simple ventilation



**BUT
BEST
FIX**

THE WYNDO FAN

**AND
HAVE
NO
DRAUGHT**



THE WYNDO FAN

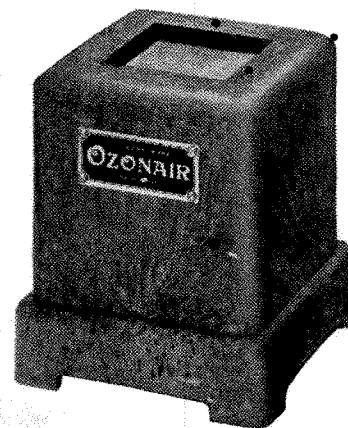
EXPELS USED AIR

EASY TO FIX : PRICE £5 : 5 : 0
FURTHER PARTICULARS
FROM THE

CRITTALL VENTILATOR

COMPANY

(Branch of Richard Crittall & Co., Ltd.)
43 BLOOMSBURY SQUARE, LONDON, W.C.1



Type
128

SMALL PORTABLE APPARATUS
From £4 15s. 0d.

All Problems of AIR PURIFICATION
DEODORISATION, etc., solved by

OZONAIR APPARATUS

VENTEX AIR FILTER
cleans the air to the point of sterilisation.

**OZONAIR PURE-AIR
PLANT**

OZONAIR LIMITED

DEPT. "Sy"

OZONAIR HOUSE, St. Leonard Street, LONDON, S.W.1

Telegrams: "Ozonair, Churston, London."
Telephone: Victoria 0012.

CATECHISM

For Your Assistants

Your assistants are not perfect; both you and they know it. Perhaps it is not as obvious to you, however, as it is to them that frequent criticism on your part does not tend to improve matters; it is far better to have an open and frank discussion, to co-operate for your mutual benefit. Only in this way can effective remedies be found. If your assistants smoke in business hours, drink excessively at lunch time, or flirt with female customers let them say so; they probably feel just as conscience-stricken as you feel angry, and they will welcome an opportunity of improving. Put this catechism before them, and then let them ask themselves the question at the end.

Do I count out the change and say Good-day?

Do I say Thank-you to the customer?

Do I place goods and change on the counter and let the customer help himself?

"Please let me know if anything should not be entirely satisfactory."

"Thank you. We are always glad to see you."

If I know other members of the customer's family, do I ever mention them?

Do I say nothing at all if the customer has been tedious or troublesome?

Do I

- always look directly at customers when speaking to them?
- ever indulge in side remarks about the dress or mannerisms of my customers?
- drink alcohol during business hours?
- ever retire during business hours to smoke?
- immediately lose interest in a customer when convinced a sale cannot be made?
- indulge in flirtations with women customers?
- inform myself of what other shops are offering?
- carefully cultivate my memory for names and faces?
- notify customers about the arrival of new merchandise specially suited to their tastes?
- place parcels directly into the customer's hands?
- ever hold the change after completing a sale, in an effort to detain the customer while trying to make another sale?
- require frequent repetition when writing names and addresses?
- rush my breakfast and hurry to work through lack of time?
- bluntly request customers not to handle soiled merchandise?

—note and pass on any idea I may get to improve the organization of the shop?

—persuade a customer to buy even when I know the purchase will not properly suit his needs?

—adapt my selling to the obvious mood of the customer?

—always address customers by name if possible?

—accept all opportunities to spread goodwill on the part of the business?

—continue conversation with other employees after starting to serve a customer?

—consider my present job temporary or unimportant?

—carefully read all the advertisements issued by my business?

—study equally carefully the advertisements of competitive firms?

—ever criticise the shop management when talking to customers?

—ever try to escape disagreeable customers?

Am I

- reliably informed regarding our delivery service?
- informed regarding manufacturing processes as they affect quality, durability, style and price?
- as much interested in satisfying customers as in keeping up my sales figures?
- painstaking about the appearance of my teeth, hair, hands and clothes?
- frequently dull and listless on account of proper rest or recreation?
- thoroughly familiar with all details of the stock?
- always patient with customers younger than myself?
- now in a position of greater responsibility than I was two years ago?
- always polite and considerate in my dealings with other members of the staff?
- always alert to suggest improvements in the firm?
- addicted to slang, familiarity or smart remarks in talking to customers?
- careful to make no promises which cannot be exactly fulfilled?
- ever impatient when dealing with deaf, foreign or elderly people?
- always familiar with the merchandise in the window?
- fully aware that my services are appreciated and will be rewarded according to their value?
- slow or reluctant to take merchandise from fixtures or shelves?
- careful to report and give reasons, when a sale is lost?

By courtesy of "Man, and His Clothes."

Aids to
Efficiency

LEADING
INDUSTRIALISTS

recognize

THE
FINEST
BUSINESS
EQUIPMENT

IS

EMPLOYEES
WELFARE
SCHEME
I.B.S.

AN EXAMPLE:

Assuming full membership of 50 years is completed, the sum of 2d. per day, Employer may contribute half if desired, ensures Sickness Benefit of £1 per week and £523 at the age of 65.

WRITE FURTHER:

General Secretary:

IDEAL BENEFIT SOCIETY
PITMASTON
BIRMINGHAM, 13

An Ideal
Investment

IS YOURS A PROFITABLE OFFICE?

You can have simplified routine, greater accuracy, increased output, with the Shannon System of Standardization of Office Equipment. Planned effort—greater control—net result—**A MORE PROFITABLE OFFICE.**

Many executives have proved this with the result that we have just completed a further extension to our factories and are now in a better position to serve you.

There is a case for SHANNON STANDARDIZATION without dislocation of routine in every progressive business. Let us prove our case to you. We shall be pleased to present it to you in person—or, on receipt of your card, send you Brochure on MODERN BUSINESS which sets out our case. Send for your copy to-day. It is FREE.

THE Shannon
LIMITED

Standardized Office Equipment

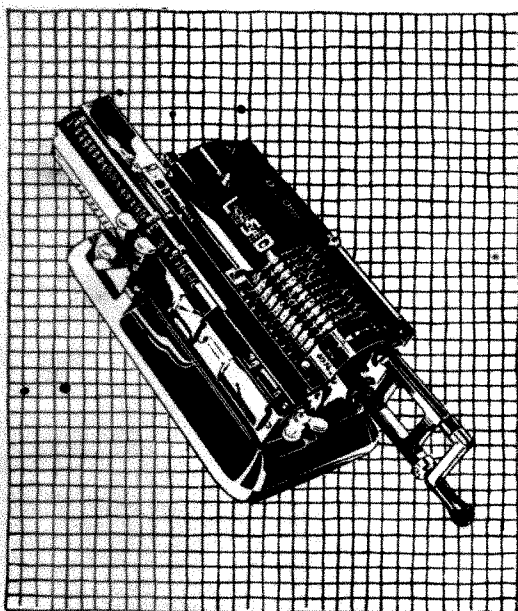
IMPERIAL HOUSE, 15-17-19 KINGSWAY, W.C.2

Birmingham, Bristol, Glasgow, Liverpool, Manchester, Newcastle-on-Tyne and Cairo (Egypt)

THE METRIC SYSTEM . . .

MAY BE INTRODUCED INTO G.T. BRITAIN
SOME DAY—BUT MEANWHILE THERE IS THE

LUSID CALCULATING MACHINE



It is no longer necessary to wrestle with the difficulty of converting decimals into pounds, shillings and pence at sight, nor to mentally determine the position of what a prominent British Statesman once referred to as "Those Damned Dots"—i.e., decimal points.

The LUSID is the only machine which gives the answer to a calculation in PLAIN ENGLISH, i.e., £.S.D. (it works in decimals as well).

LONDON:

75b Queen Victoria Street, E.C.4
Telephone: Central 2288/9

MANCHESTER:

4 Albert Square
Telephone: Blackfriars 5536

GILBERT WOOD
(Arithmetical Machines) LTD.

FACTS and FIGURES

(Continued from page 33)

This machine works either in decimals of a pound or in shillings, pence and farthings, as required. When it is appreciated that many calculations on machines working only in decimals involve the use of tables to "translate" the results, the enhanced degree of speed and accuracy is evident.

A Calculating Machine For Every Department

Consider a few of the general routine tasks in which the calculating machine proves an invaluable aid to time-saving and accuracy.

In the accounts department we have figuring and proving freight bills, the extension of items and calculation of discounts on purchase invoices, extending and adding stock inventories, calculation of interest, commissions and foreign exchange.

In the estimating department we have figuring, totalling and proving all extensions of quantity and price. In costing and statistical work, too, there is great scope—figuring piece rates, job costs; figuring *pro rata* or percentage costs, by piece, job or department; figuring profits by travellers, territories, commodities and departments; and selling costs and percentage increase or decrease in sales upon similar bases.

In the billing department we have extension of invoice items, calculating single and chain discounts, totalling weights or quantities on bills, figuring freight charges and taxes.

These are typical uses applicable to a great number of businesses. Many calculations peculiar to particular industries also arise.

Railway companies have perhaps the greatest variety. Freight bills, ticket reports, freight claims, performance reports on rolling stock and locomotives, statistics of fuel consumption running into huge figures, inter-line adjustments, costs by the ton, mile and unit, and engineering estimates all require much intricate calculation.

Retail stores have a wide range of price "mark-ups", sales percentages, stock control figures and so on.

Insurance companies have special quotations, premium rates, surrender values, annual valuations, investment calculations and a wide range of statistical returns to deal with.

One could cite countless instances, and daily new machines are proving their value in new fields. The need for the calculating machine is as basic as business itself.

The reader is invited to consider dealing with present-day correspondence without the use of the typewriter. Equally hopeless is the task of tackling without adequate calculating machine facilities the myriads of calculations, simple or complicated, needed by the modern business executive who takes a pride in accuracy, promptness and real control of affairs.

(Continued from page 38)

90% of our employees avail themselves of our offer to supply them with a $\frac{1}{2}$ -pint of milk daily at a nominal price. They are allowed ten minutes' break each morning in which to drink the milk. This improves their efficiency as well as their general health.



Each department has its own cloak-rooms, one for men and one for women. Half an hour after the opening of the factory in the morning these are locked until a short time before the buzzer sounds at 5.30 p.m. This prevents pilfering, interdepartmental jealousies, and the waste of time in bringing pockets.

Instead of having one large canteen for all the employees, we have four separate ones. One is for the men, another for the women, a third for the foremen, and a fourth for the staff. Whilst we would like it to be otherwise, we have adopted this arrangement because the relations of the various grades of employees in such a large factory are extremely delicate, and there is a definite feeling that excessive familiarity between foremen and workers is not to be encouraged. Further, the workers approve of the system because they are able to relax better in the lunch hour when they are not under the eyes of their overseers.



A permanent staff of cleaners is constantly at work. Where wool is used in business there is necessarily a large amount of dust, and their human efforts supplement the work of the air conditioning plant.

Every department has its drinking fountain. The use of dirty drinking vessels is thereby obviated, and risk of infection is minimized.



Pressing is hot work, and in summer iced water is served at regular intervals to the pressers. This does not cost us much, and it enables the workers to retain their vitality, and to get through a larger amount of work than would otherwise be possible. Further, it gains their goodwill.

Price edged Trading is a thing of the past

Competition is going to be keener in the future than it has ever been—but it will not be a competition based on price. It will be a competition of planning, of merchandising ideas and abilities with other merchandising ideas and capacities.

This new era demands new methods. Merchandising ideas will not end with a good slogan or a compelling pack. More and more merchandising ideas will spring from facts—the facts of consumer demand—the facts of distribution outlets, and the facts of past and current performance with those outlets.

There are but THREE WAYS TO INCREASE SALES and these three ways are explained in a folder we have prepared in collaboration with many of the keenest men on the marketing side of industry. Hundreds of well-known firms in this country are prosecuting a more inspired, more vigorous and more profitable sales policy after adopting this new basis.

Write to-day for your copy of this folder—the coupon below is for your convenience.

KARDEX

MADE IN ENGLAND

To Kardex Business Development Bureau, 1 Leadenhall Street,
London, E.C.3. Tel. Monument 3921

FREE Please send without obligation your folder
THREE WAYS TO INCREASE SALES

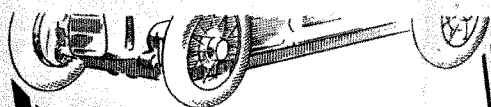
Firm.....

Address.....

Business.....

Executive..... Position.....

B.11.



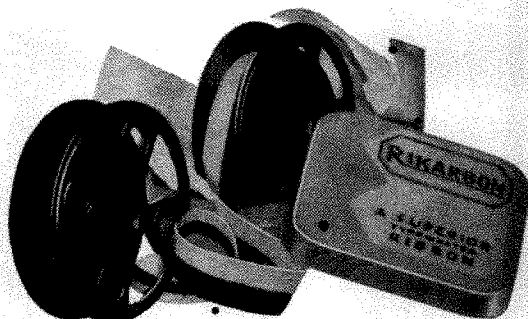
YOU DON'T BUY WHEELS
EACH TIME YOU FIT NEW
TYRES — WHY THROW
AWAY TYPEWRITER
SPOOLS EACH TIME YOU
FIT A NEW RIBBON?

Used typewriter ribbon spools represent
about one quarter of the cost of
typewriter ribbons.

YOU CAN SAVE

25%

ON
TYPEWRITER
RIBBON
COSTS!



Write for
24 pp.
Booklet

RIKARBON

28 VICTORIA STREET, LONDON, S.W.1

Modern Weighing Equipment for Progressive Industries

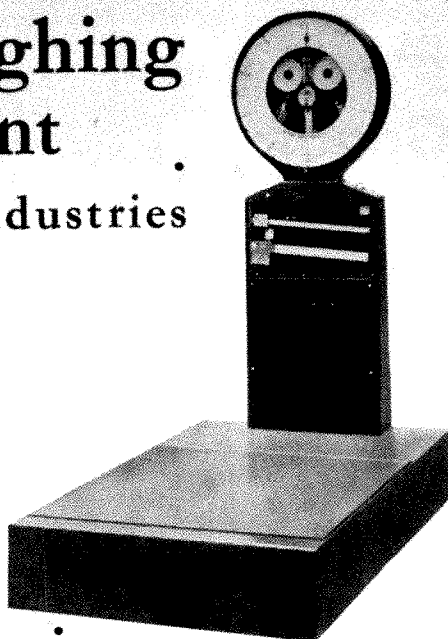
Berkel
The Hall Mark of Quality

Portable and Dormant Models

from 1 lb. to 20 ton capacity

Branches and Service Depots at:—
ABERDEEN, BELFAST, BIRMINGHAM, BRISTOL,
CARDIFF, CORK, DUBLIN, GLASGOW, LEEDS,
LIVERPOOL, MANCHESTER, NEWCASTLE-ON-TYNE,
NOTTINGHAM, PLYMOUTH, PORTSMOUTH.

The BERKEL AUTO SCALE Co., Ltd.
53 MINERVA ROAD, PARK ROYAL, LONDON N.W.10



CUT THE 'JARGON' from the Catalogue

(Continued from page 24)

Take just one more example, the description of a page of scarves: "These scarves are of pure silk and Shetland wool. Light, comfy and beautifully warm. They wear well and wash well. The colours are fast and carry the manufacturer's guarantee of free replacement if they fade under ordinary conditions of use."

What could be more common-sense and straightforward than that? No indiscriminate blaring about "astounding bargain," "superior quality," "smart" and such emptiness; just straight sales information which the prospective buyer of ordinary intelligence wants to know.

Since turning their catalogue into something which gives definite and useful information in a quiet, unassuming way the postal business of this house has considerably increased. And it is only logical that it should. People, and especially discriminating women buying wearing apparel, are much more inclined to purchase goods which are adequately and accurately described than those which are surrounded with meaningless jargon which was already worn out in the days of their grandmothers.



TWENTY YEARS AGO

the flower of English manhood was dying in Flanders fields. More than a million were to die before Peace came in 1918.

The British Legion exists to-day to honour their memory by helping those of their comrades who survived only to suffer totally undeserved hardships and privations.

The Legion's work for ex-service men includes—relieving distress—workshops and homes for disabled—finding employment—sanatorium for tuberculous—care of war orphans—pensions for prematurely aged—assistance for blind, etc.

PLEASE HELP THE LEGION TO HELP
by paying generously for your Poppy on

POPPY DAY

NOV. 10th.

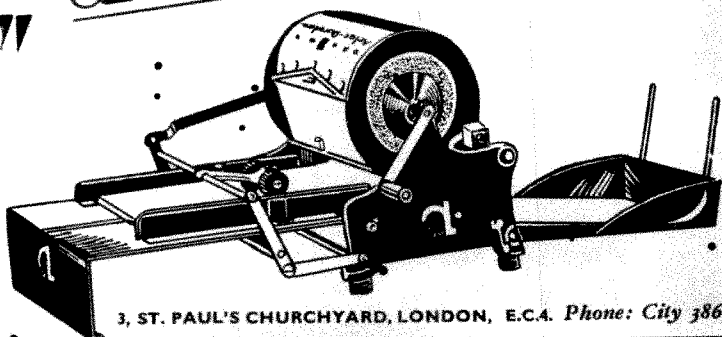
and, if you are able, by sending a donation to Captain W. G. Willcox,
M.B.E., HAIG'S FUND, 23, Grosvenor Place, London, S.W.1.

TYPE-DUPLICATE- with "ARLAC" & ADVERTISE

The "ARLAC" Fourteen

ALL AUTOMATIC; ALSO FOR MULTI-COLOUR WORK
Other Models from 10 to 40 gns. RETAIL PRICE £15.15
Use also "ARLAC" Stencils, Inks, Ribbons and Carbons

THE ARLAC DUPLICATOR Co. LTD.



3, ST. PAUL'S CHURCHYARD, LONDON, E.C.4. Phone: City 3867

When Small Spaces Can Sell More Goods

By H. CECIL TAYLOR

Advertising Manager: Vauxhall Motors, Ltd.

One of the greatest problems for the business man who cannot employ highly skilled publicity man or staff is to know "how big" to go in his advertising spaces. On the one hand he is told that nothing but big spaces will be noticed by readers of the media employed, and on the other he is assured with equal vehemence that a well planned campaign of much smaller spaces will pull equal, if not greater, results.

The following first hand experience by Mr. Taylor should therefore be very helpful to many small and medium size businesses:—

To-day advertisers struggle for attention; they strive to demand it instead of striving to induce it.

When quarter pages were the common units in magazines an advertiser, if he wished to dominate with his message, used a half-page. Others followed. When half-pages became common, he would go to a full page, and when full pages became common, he even began to use double spreads. This seems very nice from the publisher's point of view, but undoubtedly it frightened a lot of people away from advertising. They felt that they could not hope to compete and as a result never became advertisers.

The full page may produce more inquiries than the half-page, but probably not enough to make the larger space profitable.

Here is The Result of a Test

The result of one definite test showed that a quarter-page advertisement repeated four times has one and a half times stronger memory value than one full page or two half-pages.

There are many reasons given by the advocates of large space:—

1. *Large space makes a more intense impression by sheer magnitude.* So does a "close-up" on the screen but it doesn't make the story any clearer.

2. *It has less competition with other advertising for the reader's attention.* That is true, but advertisements should be designed to deal with competitive displays.

3. *A full page has no counter-attractive features on the same page and so secures exclusive reader's attention.* Yes—and unless it is against reading matter may secure no attention.

4. *Large spaces permit of more*

adequate presentation of a sales message. Yet many treble-column advertisements contain less matter than a six-inch single.

5. *Large space creates prestige for the firm advertising.*

Bunk! Only goods that satisfy create lasting prestige.

Let us stop striving for bigness; many an advertisement occupying a half-page in a newspaper could have been made equally effective in some smaller size and different shape.

Let us forget these half-trebles and half-doubles that we like to fill, and build our advertisements to fit our message.

Sandeman's port was advertised for a lengthy period with fair-sized special-position advertisements. After a time the decision was made to take bold little advertisements, measuring, I believe, 2 in. deep across one column, in a much wider range of papers. Increased business was immediate traceable as a result of this diffusion.

There are two products advertised at the present moment which are quite expensive to buy, very similar in specification and practically identical in price. Distribution arrangements and efficiency are just about equal. One product is advertised sporadically with very large spaces; the other is advertised more consistently with spaces less than half-size.

I am in possession of the sales figures of both these products, and the one for which smaller spaces are used started out well behind the other one and is now well in front.

One advertiser, with a product appealing to women, previously used whole-page displays in weekly magazines and his advertisements appeared once a month. He now uses a quarter-page every week and tells me that his results are better.

An advertiser of an industrial product, sold direct from him to the user, had been using eighth-page advertisements for quite a while, until he became bitten with the prestige bug, and felt that having attained a certain position in his particular trade, he should increase his advertisements.

The eighth-page advertisements usually produced 30 to 34 replies.

He increased his advertisements to a quarter-page for a short period, but the quarter-page advertisement brought approximately the same number of replies.

(Continued on page 45)

"LANGAPRES" THE MODERN METHOD OF OVERPRINTING

**Cuts
Overprinting
Costs Down
By More
Than 75%**

BY AN INITIAL OUTLAY
OF ABOUT £4

Overheads and transport costs constitute 50% of the charge for the average overprinting job. A small overprinted address is almost as costly as a whole leaflet. The LANGAPRES—installed in your office or factory—will save large bills for overprinting and—

CAN BE
OPERATED
WITHOUT
TECHNICAL
KNOWLEDGE

The LANGAPRES overprints booklets, leaflets, labels, cartons, etc., is invaluable for general infilling work and replaces the doubtful results of rubber stamps. Your own blocks can be used, and

STANDARD
PRINTER'S TYPE
IS USED

Let us send par- ticulars of "Rental Purchase Plan"

—a scheme that enables the machine to pay for itself.

Full specification of any model can be had on application.

SOLE MANUFACTURERS & PATENTEES—

LANG. CLAYDEN, LTD.
BUSH HOUSE, ALDWYCH, W.C.2

FACTS AND FIGURES for Direct Mail Advertisers

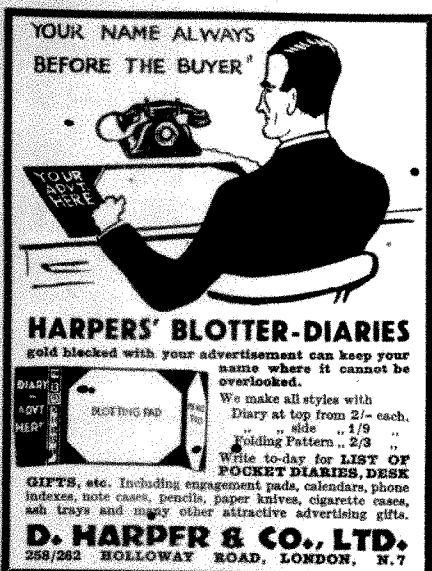
This invaluable reference is now available in new format, sectionalized as follows:
1. Manufacturers and Producers, 2. Wholesalers, Retailers, Traders and Distributors, 3. Private Residents, 4. Professional, Official, etc., 5. Private Telephone Subscribers, 6. Medical. A copy in stout binder is yours for the asking.

AMALGAMATED PUBLICITY SERVICES LTD.
Arthur Chadwick, Managing Director
Publicity House, Bucknall Street, London, W.C.2
Telephone: Temple Bar 2441



CALENDOX LTD.
91, PETTY FRANCE, LONDON, S.W. 1

A.G. ADVERTISING NOVELTIES CO.
STANDARD WORKS, SPENCER STREET, E.C.1



Name.....
Address.....
..... F.B.N.34

To leave the choice later than early November, however, would be unwise, as this is a seasonal trade and subject to heavy end-of-season pressure.



**A PROFITABLE INVESTMENT FOR
Standard Staff Equipment and Gifts**

"Jewel"
Read

21/2, St. Sutton St., London, E.C.1.

WHEN SMALL SPACES SELL MORE GOODS

(Continued from page 43)

He then tried a full-page announcement and this brought in 70 replies.

For the advertising of Bedford trucks we have used a great variety of spaces. When occasion demanded we have gone to full pages, at other times we have gone to whole treble-column advertisements. We have even used whole single displays and have gone down as low as 3 in. d.c.

Many people have stated that it is impossible to get a message to users of transport through the columns of the national press unless really outstanding and dominating spaces could be used. But in a recent test campaign, when 6 in. single column advertisements were employed, the response amounted to over 22,000.

Incidentally the cost per reply between various newspapers varied between the highest and the lowest to the extent of 1,244.44 per cent, which proves without a doubt my suggestion that experimentation is very necessary when arranging sizes and selecting media.

These Factors Must be Considered

There is a number of important factors that must be considered in deciding what may be the best distribution of the space to be used in advertising. For instance:

1. The extent of the possible market.
2. The newness of the commodity.
3. The seasons of the year.
4. The number of suitable publications.
5. The nature of the article, and the need for illustration.
6. How much it is necessary to say.

It is certain that the size space that should be used is a space that is adequate to contain the agreed sales message and call attention to that message. If advertisers would work that way instead of thinking of how much they can get into a given space, they would be planning their advertising on a logical basis.

Allows Test Before Buying

In order to allow retailers to test radio valves, yet still be able to deliver them to customers in sealed cartons, two Canadian firms have adopted a new pack. The carton has a false bottom into which project the four prongs. The false bottom can be opened up and the valve plugged in for testing purposes without interfering with the main body of the carton, which remains sealed until the customer removes the valve.

High Grade 460 Desks at £6 each!

Normally £11.18.6

In announcing this extraordinary offer of nearly 500 desks, we claim that they far overshadow any value in the country to-day. The desks are a balance of a big contract and quite definitely, when these few hundred are sold, never can they be obtainable again—unless at a much higher price. The solid timber in the desks is alone worth the money, for the tops are very heavy and laminated and the oak is flawless throughout. The desks are beautifully made and have that ultra-clean finish that distinguishes high-class work. Seize this chance—ACT NOW—you risk nothing, for as an asset these fine desks are unbeatable. If sceptical we will send any approved customer a desk on

SEVEN DAYS' FREE TRIAL!

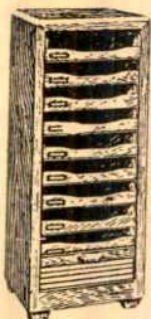


1,000 Oak Chairs

at **10/-** These splendid Chairs are wonderful value and could not be made at the price. In Light, Medium and Dark Oak, suitable for office or dining room. Seats are of best quality leatherette in Green. Order NOW.

Free delivery London, part cost carriage to provinces 1/3; Scotland and Ireland 2/-. Free delivery 6 chairs or over.

320 only—6-guinea Oak Filing Cabinets



at **70/-**

Here is a chance to grasp. We have bought for cash a stock of REAL OAK Roll Curtain Cabinets, each with 9 sliding trays, 16x13x3 1/2 in. Lock secures all 9 trays. Ideal for Office, and much used for music records, etc. (Mahogany finish 7/6 extra.)

Sent on 7 days' trial to any approved customer in U.K. State Light or Dark Polish.



**Real
Oak**

Supplied in 3 SIZES:
Surface 49x30 ... £6 0 0

54 x 31 only **£6.6.0**

A few 60x31 £7 5 0
N.B.—Part carriage and packing outside London 4/- extra in each case. Scotland and Ireland 7/6 part carriage.

**85 only
4-guinea
Typists'
DESKS
at
44/-**



Real Oak, Dark or Medium finish (other shades 2/6 extra). Surface 46 1/2 x 20 in. (including hinged extension). Laminated non-warpable top. Lock to drawer. Stout square legs. These desks could never be made at the price! Order now on 7 days' free trial or money back. N.B.—Add 2/6 towards carriage and packing for country orders.



20 Roll Top Desks, Solid Oak. Any polish, 42x28, £8 19 6; 48x28, £10 2 6.

Steel Cabinets reduced to £4 17 6. Locking, 17/6. F'cap £1 extra.

OSDA LTD., 53 Old Bailey, London, E.C.4

BRANCH SHOWROOMS:

16 St. Mary's Parsonage, MANCHESTER (City 3313—4 lines)
622 Royal Liver Buildings, LIVERPOOL (Blackfriars 6345) (Bank 4112)

The new and easy way with ★ WINDOW BILLS

G-RIPPIT

**SAVES TIME
SAVES MONEY
STICKS FAST
as long as you
want.**

Then
**PEELS CLEANLY
at a touch.**

Stop soaking and scraping old window bills—it isn't necessary. Save those printing costs. Fix your bills with G-RIPPIT, the new adhesive that is a boon to Retail Stores, Train and Bus Undertakings. Holds fast in all weathers (tested by gale-strength wind), yet peels clean and intact. Entirely supersedes all other adhesives for this purpose. Bills can be used again if desired. Clean, easy and economical in use. Prices greatly reduced owing to increased production. 4-gall. drums, 5/6. 1-gall. drums, 9/6. 1/2-gall. drums, 4/6. 12/- per doz. Reduction for quantities.

G-RIPPIT

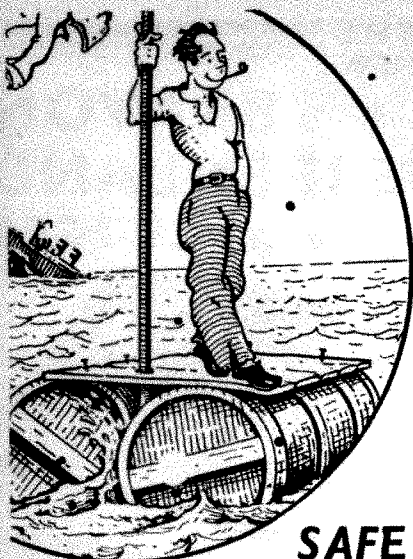
JONKO PRODUCTS CO.
Robot Buildings, Laisterdyke, BRADFORD

We are Specialists IN MODERN FLOORINGS

**LINOLEUM, RUBBER
JOINTLESS COMPOSITION
or CORK PARQUET**

**SHOPS, SHOWROOMS
OFFICES, FACTORIES
WAREHOUSES, ETC.**

MODERN FLOORINGS CO.
306 Brixton Hill, S.W.2. Phone Tulse 3523

**SAFE!****If you use GUELPH Casks**

Whether for local or long-distance delivery, GUELPH Casks can be relied upon to arrive with their contents in the same condition as when they were packed. Made from Empire Timber. The range of 400 sizes and several styles covers all normal requirements.

**THE GUELPH
PATENT CASK CO LTD**

WEST FERRY ROAD, MILLWALL
LONDON, E.14. Phone: EAST 0279
Also at Manchester, and Scotstown, Quebec, Canada

TO
REDUCE COSTS
AND
INCREASE EFFICIENCY
USE

SERVICE
IBC
SUPERSORB

The unique green blotting with
a big price saving.

17½ x 22½

½ Ream 6/6, ½ Ream 12/-, 1 Ream 23/-
Carriage Paid

Send for Samples TO-DAY
IT WILL PAY YOU

LANCASTER BROS. & CO.
Envelope Specialists
Shadwell Street, Birmingham 4

A LETTER

Like a Good Salesman
Should be Well Dressed

By T. C. HORLEY

When a Sales Letter is opened by the recipient the first few seconds generally decides its fate. A poor, scrappy appearance will go far to nullify any virtue in the actual sales offer and will surely start it on its way to the waste paper basket before the essence of the message is delivered.

On the other hand, a fine, well-dressed letter will "hold" the reader for just that invaluable few seconds which leads him into the further interest of the message itself.

What a tremendous proportion of the nation's business is created and conducted solely by means of correspondence. Quite apart from ordinary routine correspondence, millions of pounds in orders are annually sought by the carefully-prepared sales letter.

In spite of this great expectation of direct return, however, how few are the cases in which the sales letter, the firm's ambassador, is as carefully dressed and sent out on its mission as is the average human salesman.

In four weeks I have collected over two hundred sales letters from many sources. Letters from the one-office concern, letters from the complex organization filling six floors of a vast modern building, and letters from all kinds of firms between these extremes. What do they tell me?

**Letters Carry the Personality of
Your Firm**

They reveal that not 10 per cent of firms realize the enormous responsibility which the sales letter really carries. If they did realize it, surely they would not send out carefully-prepared and valuable messages dressed, as it were, in rags.

The amazing thing, to my mind, was the fact that, though a big proportion of these letters was designed to sell high-grade products to women, the kind of letter which was sent out was, on the average, even more unsuitable for this purpose than that designed to sell more staple articles to business men.

What is the effect on a woman of taste of a letter on cheap paper, with a printed heading like a grocer's bill which tries to sell her an attractive toilet speciality? There is no need for me to explain the effect. Yet that is what I actually saw among my specimen letters.

To all who sell goods by letter—in fact, I should not limit it to that, I should say to all who conduct any correspondence whatsoever in connection with their business, your letter paper, with its appropriate heading, is all important from the point of view of—

1. Preparing the way for sales.
2. Actually getting sales.
3. Increasing prestige and goodwill.

In the case of firms selling by mail, the letter paper is your reception room, show room, personal salesman and prestige advertisement all rolled into one—a tremendous responsibility. To others the letter paper is the medium which perpetuates the prestige already built up by sumptuous show rooms, well-trained sales staff, and proper advertisements.

One of the fundamental things to be tackled in any business should be that of designing a suitable letter heading and of having it displayed on a carefully-chosen paper.

The letter heading should, if possible, convey some idea of the nature of the firm or of its products. The constructional engineer can have a letter heading which is just as appealing in its own way as can the manufacturer of, say, perfumes. The one can, by means of his business stationery, convey just as much prestige as the other. It only means that care and thought must be spent to produce the proper ideas and put them on the right kind of materials.

I have collected a number of specimen letter heads from a wide variety of commercial firms, from the heavy engineering concern down to the retail beauty shop. I wanted to reproduce them because they are, I consider, ideal examples of what letter heads should be, and can be.

Unfortunately, no monochrome reproduction can do them justice, so I have perforce left them out. The beautiful colours of their lithography and die stampings would be quite lost.

One mail order man with whom I discussed the matter told me that he spent £25 on a new design for his letter paper while the paper and envelopes he selected on which to have it printed were 50 per cent. more expensive than any he had used previously. But the result increased his direct orders to an extent that more than justified his outlay.

The responsibility which a business letter has to carry is enormous. No matter if it is a selling letter pure and simple or merely a routine letter. That letter is the firm's ambassador, anyway. It carries the firm's "atmosphere" and goodwill. It is therefore well worth the care of a specialist.

Most really first-class printers are experts at designing appropriate letter heads and envelopes, or at least they are in direct touch with special artists who are skilled in this craft—for it is a craft.

Look upon the question of your letter heads as the important factor which it is. Call in a consultant. Discuss the matter from all angles; you will be amazed at the depth of the subject and the possibilities of vast improvement which are open to you.

And when you have a good letter head never let it go out marred by the bad or clogged type of old typewriters or by dirty, worn-out ribbons. If you have mass-produced letters for a heavy mailing, see that the work is done on efficient "duplicating" machines, of which, of course, there are many excellent types.

If you have names and addresses matched in, see that they *are* matched in. In other words, see that your letter, for whatever purpose intended, is a first-class, finished job. Never forget that your letter represents your firm and you.

FACTS ABOUT LIGHTING

In a recent report of the Chief Inspector of Factories, it was found that out of 475 factories only 27 possessed really efficient lighting systems.

★

Foot-candles is the measure of intensity of light falling on the surface being worked upon. It is this factor which the management must study.

★

Candle-power is the measure of intensity of the light source.

★

Dirty electric bulbs and reflectors reduce effective light by 25 per cent.

★

Clean white walls and ceilings reflect 75-80 per cent. of light. If white walls objected to, have pale green or yellow, not blue, as blue falls to 35 per cent. reflection.

In floodlighting, about 780 sq. ft. of building area can be illuminated per unit of current per hour.



**NO
MORE
DISPUTES
ON PAY DAY**

BUSINESS houses are eliminating unpleasant wage disputes by employing LANCASTER'S NEW PAY WALLETS—the really efficient pay envelope. Employees can check their money—even handle their notes, without extraction and without tearing the wallet. In case of a mis-count, wages can be easily checked without opening, the sealing being absolutely secure and permitting of wages being made up and sent any distance without risk.

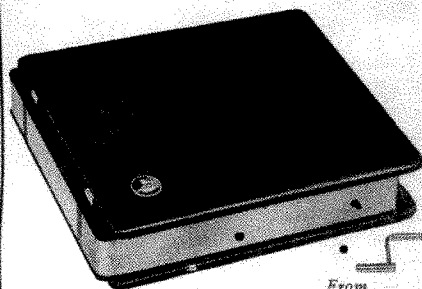
Yet LANCASTER pay wallets are with practice speedier than the ordinary transparent envelope because notes need not be folded.

*Free sample Wallets
and Prices on request.*

LANCASTER BROS. & CO.

Cash Bag and Envelope Specialists
Shadwell Street
Birmingham 4

THE NEW BRAVON GREENLAND Loose-Leaf LEDGER



WITH INDEX
& 100 SHEETS

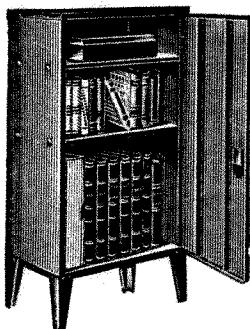
From
33/-
COMPLETE

Another fine ledger from that "Factory-in-the-Fields"—Strong and lasting and at a competitive price—but the "Bravon" quality is there—Bound full crocodile-grained brown leather cloth.

THE BRAVON LEDGER CO.

Phone 93
BRADFORD-ON-AVON, WILTS
London Office:
76 VICTORIA ST., WESTMINSTER, S.W.1
Phone 6374 Victoria

AN ADDITIONAL SAFE



Your safe cannot hold every important paper. There are a thousand and one things that need a little extra protection—Utility Steel Cabinets give that little extra at a negligible cost. They are fire-resisting and pilfer-proof, no two locks are alike.

36" x 18" x 12"
32/6

Carriage, etc., free.
CASH WITH ORDER,
or C.O.D. 1/- extra.

Enamelled in olive green, oak, mahogany or white. Six lever Chubb lock and two keys. Chromium knob.

Send for free
Illustrated
Brochure

THE UTILITY STEEL CABINET CO.
(Dept. Y), Yarborough Road, Lincoln

Phone 477

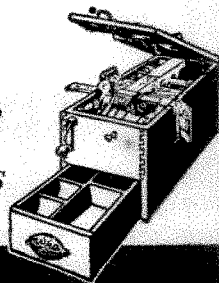
THIS TILL TELLS

all you want to know about cash transactions. It gives you a detailed account of your takings, checks every penny received and makes cashing up a pleasure. Safeguard yourself against leakage with a genuine British-made Till.

SEND for CATALOGUE of OVER THIRTY MODELS

G.H. GLEDHILL & SONS, LTD.
50, TRINITY WORKS, HALIFAX

GLEDHILL'S





Where Is It?

Can you make instant reference to the valuable facts and figures your records contain?

The "ROBIN" Looseleaf Book system of keeping records is both simple and speedy. One glance at the index and you can open the book at the entry required. "ROBIN" Books are made in handy sizes and can be kept close at hand.

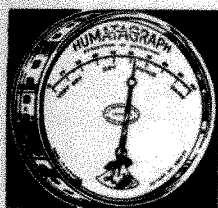
They would help you to save time and space in record-keeping. Take advantage of this trial offer at once:

One "ROBIN" Looseleaf Book with A-Z index and 200 leaves ruled stock record, faint, cash or double ledger, sent on seven days' approval for 9/6 post free.

Catalogue of Looseleaf Books and Office Equipment post free on request.

J. W. Ruddock & Sons
LINCOLN

and at 3 Old Jewry, London, E.C.2



HUMATAGRAPH

(Hygrometer)
Indicates the humidity of the air with scientific accuracy. Models for the home and industrial purposes. Matt Black 25/-; Chromium plated 28/-; Pocket model in case 14/6
C. L. BURDICK MFG. CO.,
48-44, Haldry Viaduct, London, E.C.1

Announcing

LINO-BLOCKS

AT 1d. PER SQUARE INCH. (Min. 30 sq. ins.)
Artist-Service at 2d. per square inch.

A NEW PROCESS for printing up to 20,000 Posters, Showcards, Window Bills, Cut-outs, Packets, Catalogue Covers, Labels, etc., in any number of flat colours. Can be used with type. Why pay for Litho, line blocks, or silk screens when lino will produce the number you require? Samples and full particulars from

J.P.S., 12 Best Lane, Canterbury

THESE SERVICES ARE FREE

Subscribers to BUSINESS are entitled to free information concerning Machines, Appliances or Services.

Advertisers who do not employ an agent (which we recommend them to do) are entitled to free Copy Service. Particulars:

Service Dept., Business, 6 Carmelite St., E.C.4

**SALES LETTERS
BOOKLETS
MAILING SCHEMES**

Unless your advertising is already remarkably well done, I will get you BETTER results. It will place you under no obligation to hear what I have to say. Write—

BM/ZHYA, LONDON, W.C.1

NEW BOOKS for the Business Man

Industrial Design and the Future, by Geoffrey Holme (Studio Publications, 15s.).

The appearance of things of commerce becomes increasingly important. Conditions of production tend to become more standardized, forcing the producer to give added consideration to attractiveness if he would survive the fierce competition of today.

What is needed? How is it to be brought about? How should we train the men and what positions should they occupy?

Mr. Holme has conducted a world-wide inquiry amongst leading producers, distributors, advertising agencies and designers as to the problems they have encountered, and their suggestions for improvement.

In this volume he analyses the essentials, considers the needs of industry, the means of supplying them and how these means could be improved.

His views, which are based on personal experience, are essentially practical. The book is packed with high-quality illustrations and is indeed a fine exhibition of the art of design in modern industry.

The Depreciation of Capital, by R. F. Fowler (P. S. King & Son, 6s.).

The technique of economic analyses is here applied to the solution of important business problems arising out of the fact that capital funds depreciate.

On the theoretical side, the relation between the durability of capital equipment and the rate of capital investment is analysed.

Of practical significance is the demonstration of the special depreciation problems in large firms, leading to a discussion which enables the differences existing between the advocates of the straight line and the Annuity Methods to be resolved.

Special attention is paid to the treatment of depreciation in Public Utility and similar undertakings which have to face the problem of determining the "amount of investment".

The book is written for the business man who must control the accounts of large firms and for those concerned with the subject of Public Utility charges.

The Conduct of and Procedure at Public, Company and Local Government Meetings, by Albert Crew (Jordan & Sons, Ltd., 7s. 6d.).

The proper conduct of meetings both in the company world and in the political sphere is becoming increasingly important.

The recent disturbances at political meetings have focused attention on this subject, and speculation as to changes in the law has aroused interest.

In this fourteenth (enlarged) edition the author deals at length with the preservation and enforcement of order at public meetings and with expulsion from meetings.

The rights and duties of the police are explained and examples given of procedure in various cities. In addition to dealing with public meetings, this book covers the conduct and procedure at company and local government meetings.

Among the special features of the book are included:

Full explanation of all technical terms relating to meetings.

A large number of leading cases and statutes relating to meetings quoted and explained.

Model forms of notices of meetings, agenda papers, resolutions and minutes.

An informative index.

Every difficulty that is likely to arise at a meeting is considered, explained, and dealt with.

As a rule, every statement as to the law and practice of meetings is supported by authority (statute or leading case), and such authority is only quoted after careful verification with the original statute or report.

This is an invaluable book for the company secretary, managing director and chairman, as well as for the business man interested in the conduct of more public meetings.

Logarithms, Numerical and Graphical, by N. R. Cooke, A.M.I.E.E. (Gee & Co., 8s. 6d.).

Testing Advertisements, by L. E. Firth (McGraw-Hill, 15s.).

The marketing man who has to do with advertising will read this book with pleasure as well as interest. Its dialogue form of question and answer makes for brevity and clarity. The book deals with testing "copy", we commend it to every copywriter and publicity executive.

Amalgamations, Reconstructions, Holding Companies (Taxation Library Series—No. 1. Gee & Co., 3s. 6d.).

The Employment Exchange Service of Great Britain, by T. S. Chegwidden and G. Myrddin-Evans (Macmillan, 14s.).

Codes, Cartels, National Planning, by Bruno Burn, J.D., Pol. Sc.D. (McGraw-Hill, 24s.).

USE THIS COUPON

If you desire information from the Editor or from Advertisers

To BUSINESS Service Department, 6 Carmelite Street, E.C.4

Please send, without obligation, more information in connection with advertisement (or advertisements) in the NOV., 1934, issue of BUSINESS numbered below.

Numbers (see Index page 5).....

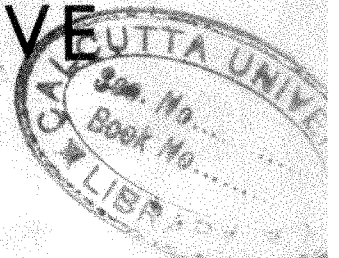
Firm

Address

WHEN THE EXECUTIVE THINKS

"IDLE" MEN WHO SET WHEELS OF BUSINESS IN MOTION

BY THOMAS DIXON



Every real business leader appreciates the value of constructive thinking. He knows that the wheels of business revolve on ideas.

The biggest problem of the business man is to find subordinates who can originate new ideas, new methods, new plans. To find men capable of carrying ideas effectively into practice is easy: it is not nearly so easy to find the man with the originating brain that thinks along new lines.

That is the explanation of the fact, often commented upon, that men in very important executive positions seem frequently to have little or nothing to do.

When you call to see them, probably expecting to find them half-buried under a mass of papers and with barely a moment to spare, you find them seated at clear desks, with apparently all the time to give you that your proposition can legitimately demand.

What is the secret? How is it that a man of unquestioned capacity, responsible, perhaps, for the conduct of a vast organization, can be apparently so unoccupied?

The real fact is that their work is done "inside their heads". Behind the mask of seeming idleness, a keen brain is constantly busy, thinking ahead, planning new moves, generating the steam that will drive the whole colossal machine. The result of that "idleness" may be an entirely revolutionary idea that will startle the whole business world.

Naturally, men of this calibre must have capable assistants. If they are compelled to attend to routine and detail work themselves, it means so much deduction from the time available for their proper work of thinking.

This is just as true, it should be noted, of the small business as of the large. The man who is building up a small business needs even more time, were it possible, for thinking, since he must himself create all new business, whereas the big concern

can run to a great extent on its own momentum.

It is obvious that the ideas of the thinking executive are very valuable, since they must contain the germs of all business development. None must be lost, if their loss can by any means be avoided. A lost idea is lost money.

The good idea has a habit of arriving at the most unexpected moments: often it has no relation whatever to the work in hand. It must be instantly captured and fixed if it is to be safe against forgetfulness and loss.

How is it to be captured and fixed? To make written notes is slow and laborious and may interrupt for too long the work in hand. To dictate to the secretary is not always convenient; she may be out or engaged on some urgent work. To trust to the memory is to invite forgetfulness that may be disastrous.

The obvious and perfect answer is The Dictaphone, and there is no other equally satisfactory solution.

No good idea is ever lost by the man who keeps the dictating machine on his desk. A few words spoken to The Dictaphone instantly fix the germ of the idea in permanent form. *The Dictaphone on your desk may at any moment save from oblivion an idea worth thousands of pounds.*

You may not develop it in detail at the moment. But when you do, The Dictaphone takes care swiftly, easily and certainly, of every point as it is born in your mind. All your thoughts and instructions are speedily on paper in typed form, safe from forgetfulness, misunderstanding, or neglect. You have set the

machinery in motion; it is for your subordinates to see that it functions properly.

That is, in brief, the daily story of The Dictaphone. It takes care, exactly as required, of all your ideas, instructions and wishes, of everything that you want recorded and remembered. Because The Dictaphone is always instantly ready, you do everything you must do at the exact moment it ought to

be done. You clear your desk and keep it clear. You save at least an hour of your precious time every day; you double your ability to get things done.

Think of The Dictaphone not as a mere machine but as a help to making bigger business. Then you will have the right idea, will realize The Dictaphone's true value and purpose.

Send the coupon to-day for a free copy of the "Progress" portfolio of photographic studies. It will give you a new conception of the value and operation of The Dictaphone system.

THE DICTAPHONE CO., LTD.

(Thomas Dixon - Managing Director)

KINGSWAY HOUSE, KINGSWAY,
LONDON, W.C.2

And at Manchester, Birmingham, Glasgow, Liverpool,
Bristol, Leeds, Newcastle-on-Tyne and Dublin

POST THIS COUPON NOW

THE DICTAPHONE Co., Ltd.
Kingsway House, Kingsway, London, W.C.2

Please send new book "Progress", free

NAME.....

ADDRESS.....

B. 12, 34

Put **IDC** into your advertising AND MAKE IT **PAY!**

WHAT FORM DOES YOUR ADVERTISING TAKE?

Whatever the nature of your business or the type of advertising matter you may need, Crichton Studios are fully staffed and equipped to prepare every form of sale aid, advertisement or publicity from the rough idea to the final printed stage. Crichton is a complete advertising service. LEAFLETS, FOLDERS, BOOKLETS, MAIL CARDS, BLOTTERS, SALES LETTERS, POSTERS, TRADE MARKS, PRESS ADVERTISEMENTS, CATALOGUES, and that's not all.

The sound exploitation of a basic idea is the secret of successful advertising.

The Crichton group of trained advertising men not only produce the idea that compels attention, but also know, from experience gained in the promotion of sales of a variety of products and services, just how to put that idea over to impel buying action.

In your bid for sales, let Crichton create, illustrate and carry through the whole of your advertising material in a fresh, live and virile way.

Let Crichton put I.D.C.* into your advertising and make it PAY. Write to-day for illustrated Tariff No. 5 describing the course that advertising-for-sales should take.



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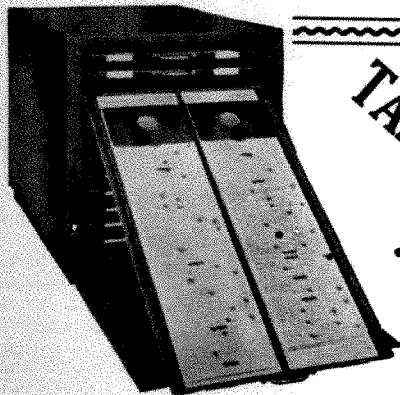
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With the advent of the New Year you will undoubtedly be "Taking Stock" of your recording methods. Inevitably the question will arise "Can we use Visible Equipment?" The answer is "Yes."—Install it in

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2. **THE STORES.** For greater speed of posting stock records and better control of ordering.
3. **THE SALES DEPT.** Obsoleting your present Vertical Card Index which does not tell you "at a glance" those customers who are not ordering.
4. **THE WORKS OFFICE.** To keep "up to the minute" delivery promises.

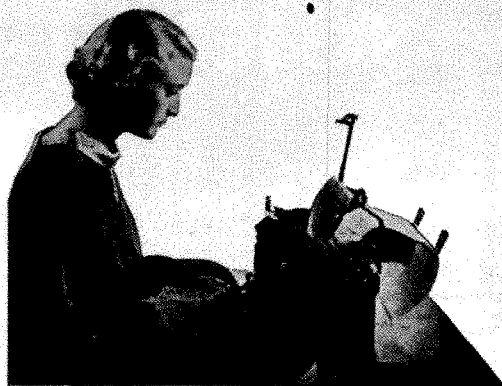
Full particulars on application to the original British patentees and manufacturers

CARTER-PARRATT, Ltd.

(P. J. Carter Eve, Managing Director)

317, Abbey House, VICTORIA ST.
S.W.1

Works: Wickford (Essex) and Bath. Phone: Victoria 1045-1046



One Machine does the work of Two

Continuous Form Billing in addition to regular typing

YOUR typewriter actually does the work of two machines when used with "Fanfold" Continuous Form Adapter, because the many time- and money-saving methods of the Continuous Form Billing Machine are added to all the advantages of regular typing.

"Fanfold" Continuous Forms typed over our Attachment effects savings in Billing time, and costs, ranging from 17% to 78% without affecting the operation of the typewriter for regular correspondence and other purposes.

"Fanfold" Adapter places no strain whatever upon the typewriter carriage, because of the very simplicity of construction and operation there is nothing to get out of order.

Fanfold

Ltd.

NORTH CIRCULAR ROAD, LONDON, N.W.2

Telephone: GLAdstone 5477 (3 lines)

USE THIS COUPON

If you desire information from the Editor or from Advertisers

To BUSINESS Service Department, 6 Carmelite Street, E.C.4

Please send, without obligation, more information in connection with advertisement (or advertisements) in the DEC., 1934, issue of BUSINESS numbered below.

Numbers (see Index page 5).....

Firm.....

Address.....

HERE ARE SOME OF THE
HIGHLIGHTS IN THIS ISSUE

DECEMBER 1934

When Tom Brown, Harry Smith, and others from the works and office take a hand at management—and at the profits—of the firm that employs them, there are likely to arise snags which must be watched for.

Co-partnership is a fine, democratic idea; a good business idea in many ways. There are plenty of employers who can show increased profits and much improved staff conditions and relationships as a result of it.

But if you are using the idea, or are thinking about using it, take care that the



very qualities that have built your business to its present level are not very largely upset.

MR. L. URWICK, who knows what he is talking about, charts four, hard, jagged rocks which stick up to catch the unwary adventurer in this difficult sea of business management.

Read about them on Page 7

When Scott and Black, and the Dutchmen in their air liner broke all records to Australia, the public cry went out: "Why can't we have air-mail services as quick as that?" The public was waking up.

But the other day Sir Kingsley Wood stated that months before Scott and Black were heard of plans were under way for a seven-day air-mail service to Australia.

The P.M.G. is alive, so is his department. More alive, perhaps, than many business men think.

For example, do you know all the things you can do by telephone to speed up your business? Could you state, offhand, eleven

definite and different services the phone will perform for you?

No, you probably couldn't. But SIR STEPHEN TALLENTS (he's the liaison man between the P.O. and ten million of us) tells you about them

on Page 33

When somebody talks to you about a "Planning Department", what springs to your mind at once? Big concerns like Joey Lyons, Johnnie Buchanan, I.C.I., Woolworths, and so on; isn't that so?

Well, that's a wrong idea. At least it's wrong to think that only big firms can have a planning department. Little firms can have them, quite easily.

But why a planning department at all? MR. C. W. FRAME tells you how it Rescued His Profits. That's one pretty good reason anyway. But Mr. Frame is probably not the only head of a small business looking for a life-saver—or at any rate a good, common-sense profits-booster.

For profit-booster, then, see Page 27

Sales up by thirteen million tons! Would your board be satisfied with that as an increase over the previous year?

Maybe you don't even make 13 million tons of anything, let alone have that figure as merely a bit of a jump in the sales centre.

But that doesn't matter. The story of this little stroke of business will interest you because the same fine merchandising plans and ideas which sold that much more coal would suit any pro-



duct, from wire ropes to skin food, that needed intelligent selling.

MR. W. R. GORDON explains the A.B.C. of these successful plans

on Page 11

Ha! New life into an old business; though old, experienced life into a new business wouldn't be so bad for some of us.

Still, there are thousands of fine old concerns to-day which could be still finer (in the matter of fatter profits) if they



would pull round a bit and face their objectives from another direction.

That's difficult, of course; unless you know just how to do it, then it's like everything else when you know how.

Anyway, 25 Per Cent. More Profit was what an old-fashioned confectionery firm won when it reshuffled its age-old selling plans to suit to-day's needs.

And it cost practically nothing to do this. Any firm with similar problems could do it.

The cake-maker's problems may be your problems.

See how he got over them on Page 18

The above are only a few of the usable things in BUSINESS this month. There are heaps of others: time-saving, money-saving, temper-saving plans, ideas and short cuts. We haven't counted them, but there are well over a hundred, and pictures of some very useful stuff, too.

F. T. POULTON, Editor.

BUSINESS Published by Shaw Publishing Co., Ltd., 6, Carmelite St., London, E.C.4. Telephone: Central 9893
Subscription rates:—15/- a year post free, United Kingdom and Continent; 20/- a year post free, Overseas.

"Luvisca" SHIRTS

SOFT COLLARS & PYJAMAS

Look for the
Registered tab.
None genuine
without.



Sold by leading HOSIERS, OUTFITTERS and STORES, and all AUSTIN REED shops.

Ask for and see you get "LUVISCA." There is nothing just-as-good. If any difficulty in obtaining, write to Courtaulds Ltd. (Dept. 166M), 16, St. Martin's-le-Grand, London, E.C.1, who will send you name of nearest retailer and descriptive literature.

"LUVISCA" SHIRTS

in striped designs
or plain shades

10/6 EACH

(including two collars)

Garments made to measure subject to special quotations.

"LUVISCA" PYJAMAS

in striped designs
or plain shades

17/6 EACH





EGRY
MANIFOLDING REGISTER

all unproductive labour and waste operations, thus speeding up the production of such forms by the automatic feeding of carbon sheets between the forms to be prepared.

CARBON COPIES WITHOUT INTERLEAVING CARBON PAPER

Consider for a moment how much time is lost through the apparently trivial operation of handling carbon paper, in manifold books or multiple sets of forms.

It matters not if your routine forms are hand or typewritten, for one or other of these inexpensive devices accommodating Continuous Stationery will eliminate

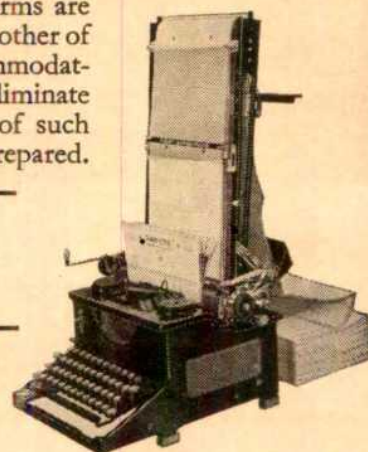
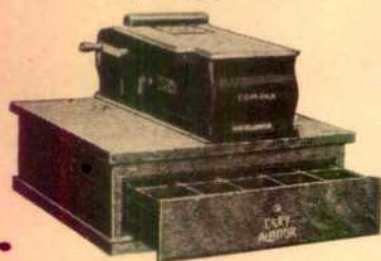
CONTINUOUS STATIONERY

- provides the most speedy and convenient method of
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Whether you are a Manufacturing, Wholesale or Retail House, a Municipal, or other Public Authority, we are able to show you a very definite saving in time and money, together with the finest known protection of profits, through the control exercised by a copy of each transaction secured under lock and key in the machine.

The Speed-Feed Typewriter Attachment will enable you to convert your existing typewriter into a Billing machine.

Egry equipment is adaptable to your needs, there is no necessity to alter your existing System.



SPEED-FEED TYPEWRITER
ATTACHMENT

EGRY LTD.

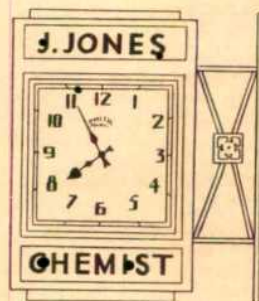
WARPLE WAY, ACTON, LONDON, W.3

TELEPHONES: SHEPHERDS BUSH 3377 (3 lines). TELEGRAMS: EGRYCOMPAK, EALUX, LONDON



No publicity offers a better return for your money

A boldly placed clock which passers-by know to be always right is the finest landmark on your premises for which you can wish. Choose a Smith's Synchronous Electric Clock and you will never need to worry about winding or regulating it, for it will be kept true to Greenwich time (for a shilling or so a year) by the A.C. mains. There are suitable designs for all buildings, and illuminated models; also for use indoors. Smith's Synchronous Electric Clocks are made in a great range of standard and special commercial or advertising patterns. May we send you an interesting brochure, free?



Issued by

SMITH'S ENGLISH CLOCKS LTD., Cricklewood Works, LONDON, N.W.2

PLUG IN TO GREENWICH TIME

Scientific

BUSINESS EQUIPMENT SERVICES & SUPPLIES

**'SWAN'
INK**
for general
office use

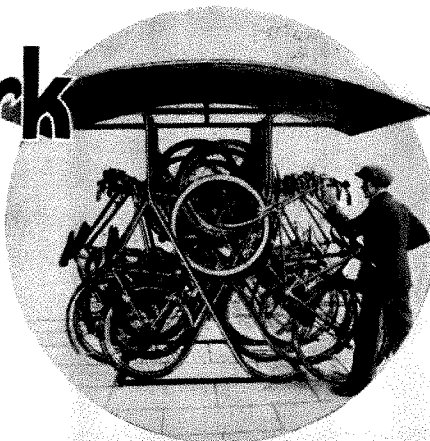
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BE OBTAINED THROUGH THE ANNOUNCEMENTS
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Cycles park in 6 inches

Wherever cycles have to be parked, whether the number is ten or a thousand, a Constructors' patented Steel Cycle Park of suitable design will solve the parking question—once and for all. For situations where space is limited a model can be supplied in which each cycle occupies a space equivalent to the width of the saddle, i.e. about six inches. Over twenty different models are available.

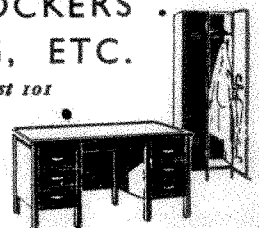
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CONSTRUCTORS LTD.
MANUFACTURERS OF STEEL
OFFICE & WORKS EQUIPMENT

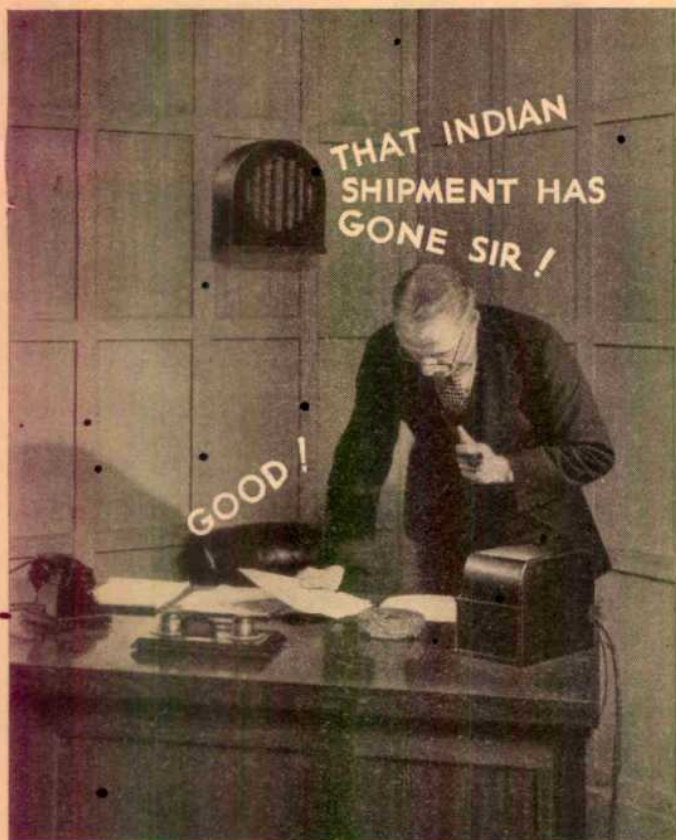
OFFICE FURNITURE
STRONG ROOM DOORS
SAFES, LOCKERS
SHELVING, ETC.

Send for List 101



CONSTRUCTORS CYCLE PARKS

CONSTRUCTORS LIMITED • ERDINGTON • BIRMINGHAM



No margin of error

is possible with the wonderful ERICSSON LOUDSPEAKING INTER-COMMUNICATION TELEPHONE SYSTEM installed.

You speak to your man and he answers—as clear as a bell—as though in your presence.....no more misunderstandings, no more wrong decisions.

You need only speak near the handsome master-station microphone, naturally, without raising your voice—and speak to one executive or fifteen.

Here are the outstanding advantages:—

1. Get through instantly to any department without dialling, without calling a switchboard, holding an earpiece or speaking into a mouthpiece.
2. Hold a conference without a single executive out of his department.
3. Hear their replies ALOUD—keeping your hands free.
4. If necessary the Loud Speaker can be switched off so that only yourself need hear replies.
5. Right-of-way over other conversations.
6. FULL SECRECY.



MASTER STATION

ERICSSON TELEPHONES LTD.
67-73, KINGSWAY, LONDON, W.C.2

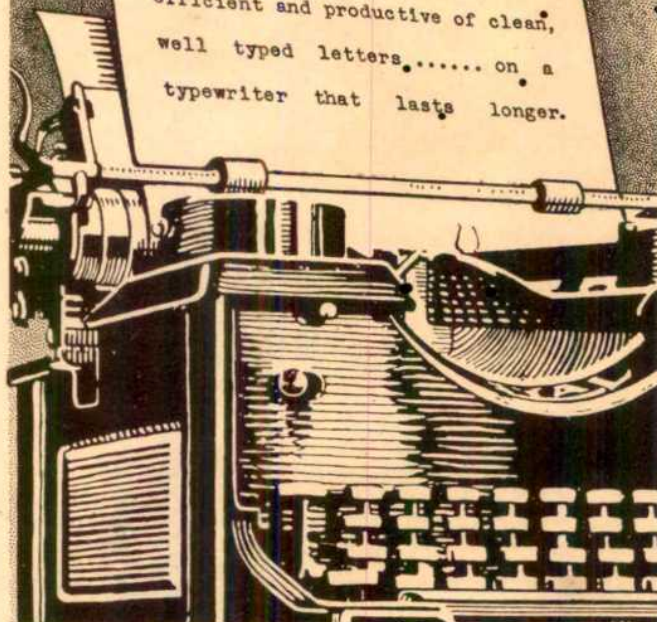
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The typewriter greatly influences the speed of the typist The Royal is the typists' favourite machine. Many, many thousands of typists have found that they do quicker work, better work and more work on a Royal ... Using a Royal your typist can be more efficient and productive of clean, well typed letters..... on a typewriter that lasts longer.



ROYAL

TYPEWRITERS

ROYAL TYPEWRITERS: 75/75a, Queen Victoria Street, London, E.C.4 Phone: Royal 7600 (10 lines)

BUSINESS

DECEMBER, 1934

MANAGEMENT • CONTROL • POLICY

Watch for These Hazards if you use CO-PARTNERSHIP CONTROL



By

L. URWICK, O.B.E., M.C., M.A.

Chairman, Urwick, Orr & Partners, Ltd.
Consulting Industrial Engineers.Formerly Director, International
Management Institute, Geneva.

Among other considerations, real participation in the ownership of a business, real partnership, implies two things, or rather two distinct aspects of one thing:—

Some power to remove those in executive authority if their control is ineffective or wasteful.

Some power to enforce changes in policy or methods where it is felt that these are not keeping in line with changing circumstances.

Without some consciousness of power, however indirect, in these two matters the individual cannot feel an effective identity with, or responsibility for, an undertaking with which he is associated. It is precisely such a sense of identity and responsibility which co-partnership aims at developing.

One solution which has been tried is the appointment of individuals to the Board of Directors as representatives of the workers. This practice is a great step forward beyond a purely automatic control. It has many advantages in certain situations. But, we must ask ourselves, is it sound in principle? Also, viewing business administration as a science, is it likely to endure?

Business is increasingly an "expert" question. Persons appointed to Boards of Directors, and responsible for the administration of business, should not, theoretically, be appointed *because they represent anybody*, but for one reason and one reason only: *because they possess knowledge or skill which will be of service to the enterprise.*

If there are workers with such knowledge or skill it is arguable that they should not have remained workers. The system of promotion should have given them opportunities to use their administrative capacity in the ranks of management.

Here Mr. Urwick takes one aspect of Co-Partnership Control in business. It deals with the effects of employee-representation in control. These are some of his points:—

- ◆ *Management is essentially a function of experts; it cannot conceivably be performed by inexpert or untrained persons.*
- ◆ *Flexibility is one of the most needed features of management. Committees in control tend strongly to defeat this object.*
- ◆ *A solution to this danger might be a second body, behind and apart from the active management. Control representatives might be elected to this. Its function would be continuous, constructive criticism and review of the management, but without power actively to participate in it.*

Experience shows that administration is most effective where those discharging the actual functions of government

Administrative "Groups" Grow Inflexible—They Ossify

are as completely and directly responsible and as few in number as possible. But it also shows that administering groups of all kinds tend to ossify, to become embedded in their own self-importance, unless provision is made for constant and effective, constructive criticism.

That is to say, behind the actual work of administration there should always be provision, not necessarily for a superior control, but for exercise of this function of criticism and review. As our system of political government has developed, this is, in effect, the task of the two Houses of Parliament in relation to the Cabinet.

In our business forms of government it is theoretically the task of the shareholders. But, for reasons connected

with the evolution of limited liability procedures and the increasing need of expertness in business government, shareholders have less and less will and capacity to perform this task. The function has atrophied.

But, though the function has atrophied, it still remains necessary to the working of a healthy system of govern-

divided into a series of expert professions. Accountancy, engineering, chemical research, salesmanship, office management and so on are obvious. But, the things which were formerly considered the peculiar province of the managing director are encountering the same tendency.

Take organization, the design of the

rapidly to meet alterations in underlying circumstances.

On the other hand, human beings and human organizations are in themselves inflexible. As groups they tend to grow traditions and, as individuals, habits. We all dislike changes (except those changes which we ourselves initiate).

It is the combination of these two facts which makes determined and original leadership so valuable in business. It is open to question, therefore, if we adopt more democratic forms of higher control, whether changes will be initiated and developed with the courage and determination found in the best managed businesses to-day.

It is impossible to undertake reorganization without, in the course of it, encountering an interval of weeks, or even of months, when almost all concerned are making mistakes, are consequently hot and bothered, and are prepared to vote the new arrangements an unqualified failure.

At such times as these argument and precept are useless. The facts are against the innovator. And, save where he is dealing with individuals as well-trained in the methods of scientific management as himself, it is almost impossible to draw an adequate picture of the kind of end result towards which he is working. At such moments, consultation on the first level of which I have spoken is of great value. There should be meetings with all concerned, careful explanations as to what is being done, and why. And behind that there must be an unshakable determination to see the job through.

The Author emphasizes strongly that—

"Persons appointed to Boards of Control and responsible for the administration of business enterprises should not be appointed because they represent anyone, but for one reason and one reason only: because they possess knowledge or skill which will be of service to the enterprise."

ment. And I suggest that the association of the workers with the higher control of business is most likely to come as part of an attempt to re-establish this function of criticism and review.

• This 'Second' Body Would Not Hamper Control

If, for instance, in case of all large undertakings there was a second body behind the Board, with wide powers of requiring information and making suggestions, but no duties of actual administration, it seems to me obvious that the various grades of workers employed should be represented on such a body.

The identification of the workers with the undertaking in which they are employed must take place at two levels:

The first—In all those matters which affect their working lives, shop conditions, methods of wage payment, etc., there are growing up well-established techniques for presenting information and securing consultation. There are house organs, works committees, works councils, shop-steward organizations, suggestion schemes and a score of other devices.

As a second—We encounter the problem of associating the workers with the higher administration, with decisions as to policy and the ultimate control of the management. And here no adequate solution has yet appeared. I can do no more than indicate the difficulties encountered by approaching the subject from the scientific management standpoint.

Management Demands Experts in Every Phase

In the first place, the whole tendency of modern management is to indicate the increasing need for specialization. The functions formerly performed by the general manager are being sub-

human structure of an undertaking. That is rapidly becoming a highly technical question, as specialized as, for instance, architecture. It is no longer a question of saying "to this man go and he goeth, and to that man come and he cometh." It is a question of knowing exactly to whom you should say go and why, when he should go, where he should go, how he should go, and how long he should take.

Take judgment as to future trading possibilities, surely the function of the man at the top? Not a bit of it. It is a matter of statistical analysis, of business forecasting; in themselves highly scientific and complex procedures.

The task of administration, of higher management, is therefore more and more a task of co-ordination, of integration. It consists of knowing enough about the bearing of each of these special techniques to appreciate the contribution of each to a common problem.

It is not a matter of compromising conflicting interests, as in politics. The experts have not different objectives. They have, or should have, one objective—the success of the enterprise.

It is essentially a matter of determining scientifically the course of action which will make the utmost use of the various specialist contributions in reaching the general objective. It is a task which cannot conceivably be performed by inexperienced and untrained persons.

Flexibility: Without It a Business Cannot Live

In the second place, we live in a period of violent technological change. The machines and methods on which business as we know it are based, are themselves the product of sciences which are constantly enlarging their range of knowledge. One of the most essential attributes of any modern business is flexibility—the power to adapt its organization and methods

COMMITTEE MANAGEMENT FAILS

"The world's experience in all directions has proved the utter impracticability of successfully doing executive work under the management of a body of men, either large or small. An executive committee of one is the best committee to have charge of executive work. The managing director of the company should be free to have as many advisers around him as he wants, and these men can be called executive committee as well as by any other name; but their duties should be those of advisers."¹

Representative Control Will Hamper Flexibility

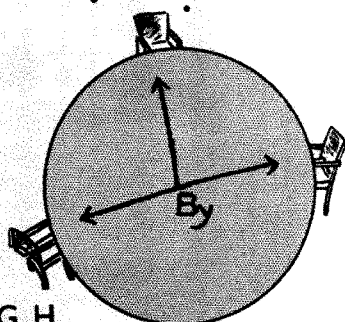
But I am doubtful if a share in control at the second level will assist that process. I could quote numerous instances where there has been the

(Continued on page 41)

¹ Copley, F. B. *F. W. Taylor* (New York: Harper Bros. 1923), vol.

Does My Staff Want NURSING?

MR. X,
A Progressive Retailer



P. G. H.,
"Business" Editorial Staff

STAFF SEEMS DISPIRITED

Mr. X. I am a bit worried about my business. As you know, we've expanded a good deal lately, but things are not going too well. It's difficult to diagnose the trouble for we are up to schedule on sales, overheads are a bit lower than we budgeted for in the first six months, and the store seems to be reasonably full of customers most of the time. Still, when I go round the shop and the workrooms I get the impression that there's something wrong. The staff isn't as keen as it might be and, although our service department is pretty well water-tight, customers make plenty of complaints.

P.G.H. Do you think it worth while paying too much attention to an impression gained from a casual walk round your premises?

Mr. X. Hardly a casual walk; I have done it almost every day since 1907, and I'm pretty certain in my own mind that I can "sense" an atmosphere in business as well as the next man.

Mrs. R. That is probably the reason for your uneasiness. You have very little direct evidence that things are not what they should be. Perhaps you are thinking too much, and perhaps your impressions are quite wrong.

Mr. X. That's not it. I hear customers talking in the store, and though that is not direct evidence, it is reliable enough. I hear the staff talking, too, and they are full of grumbles, especially the older employees. They seem to resent the intrusion of new people; they think they are in dead-end jobs. I consider I give ability a chance to prove itself,

MRS. RAPHAEL,
National Institute
of Industrial
Psychology

well, not exactly; but
certain little matters
DO need smoothing out

A LUNCH TABLE SOLUTION

but I don't think I ought to take every Tom, Dick and Harry I employ into my confidence.

Mrs. R. Of course not. How many people do you employ now?

Mr. X. About a hundred; fifty in the store and fifty in the workrooms.

Mrs. R. So you have just about doubled your staff by your expansions.

You personally engaged all the old staff and all the members of the new. You are keeping the management entirely in your own hands, are you not?

Mr. X. I am, and I don't apologize for it. I have built up the business, and now that we are climbing with the general prosperity curve I feel I must keep my hand on the tiller.

P.G.H. Agreed. But if, through keeping your hand on the tiller, business is right, but the staff is wrong, don't you think you ought to deal with the staff in some very different way?

Mr. X. Perhaps, but how?

OUTSIDERS GOT THE GOOD JOBS

Mrs. R. This is where I come in. You have been a successful retailer for years, have you not, Mr. X? You have obviously been extremely far-sighted in getting together a retail selling staff which has supported you up to the point where you have been able to launch, in a modest way, a production department. That staff has always been under your eye, and up to date, they have been satisfied that you have noticed them. But now that their number is doubled they are no longer satisfied. The personal contact has been lost.

No wonder they appear discontented; there must have been a few very good posts going in the new departments, but your old staff was passed over in favour of outsiders.

Mr. X. It was hardly a question of being passed over; I wanted a manufacturing staff, and the old staff was entirely sales people.

Mrs. R. How do you know you have engaged the best type of manufacturing staff? After all, you, yourself, are primarily a salesman, but you undertook the engagement of a manufacturing staff.

Mr. X. I admit that, but as far as the manufacturing is concerned, it is progressing well. The only point that worries me is the lack of team work on the part of the staff.

PLAN TO PROMOTE ON MERIT

Mrs. R. What you want is a complete scheme for the governing of your staff as to salaries, promotions, departmentalization and engagement. If you have such a scheme, and make it public, the staff will have confidence in you, and you will get much better work out of them. Besides, if you have a reasoned system on which you work when engaging staff you will have much less wastage due to misfits and the trouble they cause.

Further, through such a scheme you can keep a degree of personal contact with them, and it will take a good deal of worry off your shoulders, for you will simply have to delegate more administrative authority than you are doing at present.

Mr. X. That's all very well, but how am I to run such a scheme?

Mrs. R. Of course, the best thing is to call in an expert, but there are some general principles which you can adopt right now. Your business has its own peculiar problems, you must build up your scheme with these in mind.

For instance, a switching about of

junior employees from one department to another is always a good thing; it gives them a better insight into the problems of other departments and makes co-operation within the organization possible. You should have reports from the departmental heads on the employees, and these reports should be kept by you and used when fixing salary increases or promotions. Incidentally, increases should always be given in this way: employees like a feeling of ordered progress, though they seldom get it. When they *do* have it, they work all the better.

REPORTS ON STANDARD FORMS

P.G.H. But if Mr. X allows his departmental heads to report on the staff, will the reports not be liable to personal bias? *Mrs. R.* No, the reports must be made on a standard form. There are certain qualities which are always important in an employee. For instance: is he willing and co-operative? Is he accurate and reliable, quick and energetic? Under each of these heads there are five sub-heads. Is he particularly so, is he quite good, though hardly first

class, is he just simply good, does he have "off periods", is he poor?

Then we have three more main classes. Is his knowledge of his job thorough? Has he initiative and intelligence? What is his manner with customers? The five sub-heads I have already mentioned come in here as well.

When these are filled in, and an impartial departmental manager cannot but give accurate information if he has simply to tick off the qualities in an employee, you have a pretty clear picture of an employee's capabilities. Have these reports given to you monthly for the first six months of an employee's engagement, and after that only once every six months. Base the increases on them, and in every case discuss the matter with the employee concerned.

REGAINS MANAGEMENT'S PERSONAL CONTACT

This may cost you four days a year of your time, but it will help you to keep personal touch with the members of a growing organization, and it will give them confidence in an employer who is prepared to say, for example:

"You would have got a bigger increase this time if you had not been so difficult to get on with in the department. Your manager says the fault was your short temper. That's a serious fault, but if you can control it there is no reason why your rise should not be higher next half-year."

Mr. X. You are probably right. I'll try it. If I can get the good feeling I want in the staff I shall be sure of getting rid of dissatisfaction among my customers.

Mrs. R. Of course there are tests which can be applied to applicants for posts, but they are really expert matters, and I should probably drop a large brick if I tried to tell you about them without having a thorough look over your business. None the less, they are very useful to prevent wastage and misfits from the very beginning.

P.G.H. Then you think these tests are of practical value and not mere academics?

Mrs. R. Yes, I do. Judicious selection and training of staff is one of the most important parts of business management to-day. It may sound like a *cliche*, and many people pay only lip service to it. They *could* save actual cash through it if only they would.

Finds The Thinkers

An Improvement on the Suggestion Box Plan

The "suggestion box" plan is a good one. But it does throw on the employee the onus of discovering problems or faults on which to offer suggestions.

True, if Molly Perkins thinks black distemper on the office walls would cost less to clean than white, or if she has mice in her desk the suggestion box gives her the chance to express her ideas officially.

The Ordinary Box Doesn't Stimulate Initiative

But, generally speaking, contributions to "the box" are pretty slow when the initiative is left to the rank and file. Often, too, they are confined to small matters which affect the individuals personally.

In most firms there are plenty of problems which the staff in general never become aware of but on which, nevertheless, the management would welcome some bright ideas and suggestions.

Realizing this, the secretary of one firm now pins up over the suggestion box some specific problem on which ideas are wanted.

He does this once or twice a week, and then gives it a rest for a month.

This has proved very popular. Not that it produces a never-ending stream of world-beating ideas and plans, but it does get the staff genuinely keen and interested.

For one thing there are small cash prizes (and plenty of prestige!) for those whose suggestions are adopted. Also,

many employers are willing to have a shot at an interesting problem put before them when they could not find a problem themselves.

Another thing plan has done—a very important thing too—it has revealed to the management one or two thoroughly keen and intelligent youngsters who will make good executives one day.

These lads would probably have remained unnoticed on their routine jobs; they were not of the type to thrust themselves forward into any sort of limelight. But the unfailing regularity with which they answered the problems posted on the board, the completeness of their dealing with the points and the constructive way their suggestions were made, singled them out. Their names went to the managing director.

You might find the idea worth following for no other reason than to discover who in your rank and file can think constructively.



A

MINIATURE ADDING EXPRESS

Not much larger than a 50 cigar box, this new British-built adding machine permits all the speed of operation, and has the capacity of many of the machines three times the size and price. Not only is this small "adder" thus suitable for the small business, but it also appeals to the large concern, since, owing to its economic price and small size, many of them can be installed, and so, for a given outlay, perform a correspondingly bigger volume of work than a lesser number of more expensive machines.

Sales **UP** This Year by **13 MILLION TONS!**

Yes, quite an increase. Not only because coal is now a much more varied product than it was a few years ago, but because it has been sold, in the widest sense of the word.

Now there's nothing about the huge bulk sale of coal (output 184,380,000 tons the first 43 weeks this year) and the success of the sale plans behind the scheme that does not apply in principle to the merchandising of every nationally-used product.

Don't think that because this coal marketing plan is being handled on a big scale that it is too big for *your* interest, Mr. Manufacturer.

The Coal Utilization Council has been successful because it developed a common-sense link-up of all the merchandising factors which *you* can use in exactly the same way.

Forget the term "Council" if it sounds too big, and think of it just as the "sales development department", of an ordinary concern.

We Build Up Sales in Two Ways

Our council, then, works in two directions: (a) the technical side to find and develop new and wider uses for coal and to increase its efficacy; (b) the publicity side to broadcast the information so found.

That's quite regular business practice, differing only in size or extent from what the ordinary manufacturer can do.

Five executives run the technical side of this sales-building Council. They are combustion engineers. Each supervises an area; London, Birmingham, Cardiff, Leeds and Glasgow.

Their job is to help the coal trade to persuade users of oil power to switch over to using coal and its derivatives (the use of these derivatives, of course, means the sale of coal at some point). To prevent users of coal going over to oil power; and to assist all coal users to get more efficiency out of the coal they do use.

This is done through lectures to power users (business users and public authorities), to building and housing bodies—educating them to the advantages of installing coal-fired heating, in fact to all big users of power and heat.

Getting Right at the Big User

This, of course, is indirect sales attack right at the base of the matter. It is the education of the big user. A factor for every manufacturer to consider in his own business. There are "big users" of bricks, timber, silk, soap, food and a thousand things besides coal.

...of what? Coal, just coal. But it might have been eggs or pins. The point is, here's a fine piece of straightforward MERCHANDISING, usable by any selling concern

From January to September this year these combustion engineers handled 2,000 cases, where they either converted a power user from oil to coal fuel or helped an existing coal user to get more heat for his money out of his coal.

Anyway, this little activity alone influenced an output of an extra 650,000 tons of coal *per annum*. Any sales department ought to be satisfied with that.

for hop drying, for steamships, for trains and so on. They examine coal from every angle of use. They prepare technical booklets on the findings and standard lectures with lantern-slide illustrations.

The lectures particularly are useful in propagating the idea of coal. They are given to schools, to shop assistants who handle stoves and grates, to business men's clubs, to municipal council staffs, to builders and architects and chambers of commerce.

Thus invaluable technical and semi-technical "news" is directed intensively at points where it will do most good—from the coal seller's point of view. It is good, solid, educative ground work on which more specific selling can be built later on.

How We Help the Dealer to Sell

Now we come to the publicity side of the Council's work. This is pretty wide; but it is not aimed to do any actual selling. The Council doesn't do this. What the Council does is to *help the coal merchant to sell*.

Here again this is just straightforward business procedure. There's nothing complicated or "super" about it, except, of course, the size of the operations. But that's not important, the principle is the same as for the ordinary firm selling food, clothing, toilet cream or anything else of universal consumption.

The Council produces a fine folder, "How to Use Coal Wisely in Your Home". This is written expressly for the housewife, showing her how to get the best out of coal in a way that will save her money. There is no high-brow engineering stuff in this folder, just plain everyday sense.

These folders have been supplied to the retail coal merchants who, in turn, have distributed them to their customers. Getting on for half a million of the folders have gone into homes so far this year and they're still going.

The Council spends a great deal of thought and energy in devising really

W. R.
GORDON



Director of
The Coal Utilization Council
explains the A.B.C. of it

Of course the technical men do more than just go round persuading users to turn from the favours of Mr. Codlin to embrace the doctrines of Mr. Short.

They carry out the most exhaustive research to find out the best kind of solid fuel for central heating, for bakeries, for the fish-frying business,

good sales-aid stuff for the retail coal merchants. Local press advertisements, posters, window displays, leaflets, and so on.

Dealers BUY Their Sales-Aids

The coal merchants pay for this material, they buy it from the Council. But they are given very good rock-bottom prices. The big price reductions on printing which the Council can get by placing huge bulk orders are passed on to the coal retailers.

The Council represents the coal trade; it exists to help them; it does not seek to make big profits. No, it is just like the sales promotion department of any ordinary firm.

Exhibitions is another thing the Council attaches much value to. There is a permanent "coal" exhibit at the Building Centre in London. Big and little exhibitions, trade and public, wherever they are held in the country are made use of.

Getting Parliament to Help Sales

The Ministry of Health has been tackled. The Council has used its influence against the designing of mass building of houses to embody a type of heating which does not use the flue required by coal fires. The Council says: "The flue is a valuable, healthy ventilator. Put in fireplaces for coal fires and provide this necessary ventilation." The Council also says: "It is unfair to build new houses so that the occupants are prevented from using any kind of fuel they like. If they haven't got fireplaces they can't use coal, and maybe six people out of ten prefer coal and want to use it."

Pretty good underthruff stuff, that; delivered at a very influential quarter. A few thousand more fireplaces in private homes mean a lot more coal bought and burned in the course of a year. See the curve going up and up?

And the Health Ministry is not the only top-line locality that has felt the gentle pressure of the coal peddlars.

The Council has organized deputations who have had a go at the Ministers who devise commercial road vehicle taxation. Reductions in the taxation of road vehicles which use steam and gas have been sought. Also demonstrations have been held of vehicles driven by coal, coal-gas and electricity. The economic advantages of these vehicles have thus been paraded before business and private users.

Here Are Still More Markets: We want Them

In passing, it might be worth mentioning that a few years ago steam road vehicles used 750,000 tons of coal a year. This has fallen off lately, but if all the old-fashioned trams in the country were converted (as the Council is trying to bring about) into trolley-buses using electricity for power, then another 530,000 tons of coal per annum would be used to generate the 800

million units of electricity needed to drive them.

Furthermore, if the 10,000 omnibuses in Britain were converted to run on compressed gas a new market would be opened up for another 500,000 tons of British coal per year.

Doesn't overlook anything, does it, this Council?

Nor are ships forgotten. The Council

on the trail of the Diesel and Diesel-electric locomotive. These little fellows are enemies of the coal men.

To-day, the railways use 12 million tons of coal a year. Quite an item. The Diesel locos don't use coal; they use oil—from abroad at present.

So the Council's Land Transport Board are doing a little homework to find out how the locos can make better use of coal. This will give the railway chiefs better workings at lower costs so they won't be stampeded into replacing their "steamers" with electric or oil engines.

Salesmen are TRAINED

Now a little theorizing on salesmanship, a bit ponderous, but here is the idea in a few lines:

"The Coal Utilization Council is aware of the importance of salesmanship to the coal trade. In its 'Survey and Recommendations', published after a very complete survey, stress was laid on the fact that the fuel salesman must not only keep pace with the demands of the customer for information, he must keep ahead of his customers' knowledge of the subject, and endeavour to become more and more an expert, with an adequate knowledge of fuel and appliances in which to burn it. The present day consumer of any commodity—and coal is no exception—demands more service than he has ever done before. He is a shrewder buyer than he was 20 years ago. He wants comparative facts to enable him to form a judgment. Above all he is suspicious of ignorance on the part of those who try to sell him goods. In the 'Survey and Recommendations' plans were therefore laid down for comprehensive courses of instruction, both in Sales Training and Sales Management."

So that's that. The coal industry does understand selling. The last sentence, of course, leads off on another track. It is a subject for an article all to itself.

Missed The Post ?

If you have missed the last post collection in your area yet want to have a letter delivered first post next morning — send a Night Telegraph Letter.

You can have letters delivered on SUNDAYS in the London postal area.

You can "Reverse" a telephone charge; i.e., have the call which you make charged to person or firm whom you call.

These and other new business facilities offered by the Post Office are explained by

SIR STEPHEN TALLENTS
K.C.M.G., C.B., C.B.E.
on page 33

has a Marine Fuel Committee. It makes researches to find better coal for bunkers for tramps and fishing fleets. Better coal means bigger sales of coal to the sailors.

Railways, too; the coal men are hot

EYES OPEN FOR OPPORTUNITIES

Recently a muffin-man was prosecuted for ringing his bell in an exclusive residential section of London. The magistrate sympathized with the man and advised him to try another district. The man left the court, and the next day went on his normal round, but the offending bell was silent—it was on his tray of muffins, draped with black crêpe. The evening newspapers saw the man and gave him a very large amount of publicity; he was photographed, interviewed, and reported in no fewer than three influential newspapers.

There is a moral in this story for every business man. The muffin-man found himself in a tight corner, and by a shrewd stroke he turned defeat into victory, by getting as much publicity for nothing as many large firms pay heavily for. By making the very best of an opportunity he became a minor public figure. There are scores of opportunities (not connected with police court proceedings) which can be turned to account by business men, if only they are sufficiently wide-awake to see them. Every business man must keep his eyes open, and exploit his opportunities to the utmost. The muffin-man did so on a small scale; his business was small. The ordinary business man can do it on a correspondingly large scale and receive correspondingly large benefits.

IDEAS ON THIS AND THAT

Insurance Won't Cover It

"Honesty and trustworthiness in purely financial matters can be taken care of by proper insurance. But trustworthiness in other company affairs is very often much more important, and no sort of insurance can be bought to cover this. It must be sought in the intelligent selection of employees and the equitable handling of them in regard to payment for their services, facilities for their merited promotion and human consideration for their personal welfare."

"That, I think, sums up the most vital requirement in the management of a successful business to-day."

—Chairman of a famous manufacturing concern.

What Do Little Jobs Cost?

"How many of your more highly-paid men have unconsciously got into the habit of doing all sorts of small jobs which could just as well be done—which ought to be done—by clerks and the lesser-paid staff? It is a good plan to stroll round the organization occasionally just to note these things."

—E. R. A.

Puts That Light Out

In a big organization occupying five or six floors of a modern building the cost of electric light is very considerable. And if there is one thing which the average employee never dreams of studying it is abuse of the firm's electric light.

One big firm in the West End was tired of posting notices: "Please switch light off when not required." They had no effect. Night after night individual offices were left empty with lights burning till the caretaker made his rounds later.

The management therefore had the electricians arrange a master switch for each floor, to be located in one office on the ground floor. A senior employee was made definitely responsible for putting off all these switches before he left in the evening. Only a few "key" lights on stairs, etc., were not operated by the master switches. The plan made a useful economy.

Idleness to Hatch Ideas

Rust, corrosion and taxes will ruin mechanical plant which is allowed to be idle. Human machines are different. It is difficult for the executive to solve many of the problems of his job if he does not have intervals of "idleness".

I was once with the head of a large manufacturing concern when an important new product was being finally completed. This chief executive was just at that moment arranging to send away to his own little retreat on the Devon coast his sales



manager for a fortnight's "loaf", nothing to do with the man's summer holiday at all.

"Oh," said this business chief when I exclaimed, "I'm not running a sanatorium, far from it. My place down there is an 'idea-hatchery'." And he was right. The late Lord Northcliffe used to do very much the same thing—with equally good results.

—C. W. P.

Do You Use Them?

An important job was advertised in the papers recently. At the end it read: "Apply only on our printed forms, which can be had from Box —." There is a lot to be said in favour of standard forms for job applications.

Too Many Chief Cooks . . .

One of our tasks is to fight the tendency to appoint supervisors at every point of manufacture. We have as few 'supervisors' or 'inspectors' as possible. A person working under close scrutiny of a superior feels relieved of responsibility. His or her attention shifts from the work to merely satisfying the supervisor. Industry's loss is two-fold: inferior work and heavy costs for supervision."

—A Managing Director.

Calls for Keen Discretion

We need courtesy and consideration and attention in business, but we can only give that consideration and courtesy and attention to jobs that show some return for it. What many people have never understood is that if they will close some accounts and tell some people to take their work elsewhere, they will be better off instead of poorer—that if they will concentrate on doing the things which are worth doing, they may miss a lot of things that are not, but they will be far more prosperous at the end of the year.

—From "The British Jeweller".

'TRIPE' PULLED BEST

We have just had an experience which proves the vital need for proper research in selling.

We manufacture a range of toilet goods of good quality, though not in the top line of luxuries. For several years we have done quite good business by means of advertising with a broad good-class appeal.

As a matter of fact, we had always prided ourselves on the attractive dignity of all our publicity matter.

Early this year we changed our advertising agents, and at once our method of appeal was challenged. It was criticized as too artistic, too dignified, lacking in "life".

We did not like to hear this because, if it is one thing my co-directors and I hate, it is apparent "cheapness" in advertising appeal.

Various alternative schemes were suggested by the agents to us, including those conversational episodes where the lay-out shows a lot of silly people with "balloons" coming out of their mouths carrying the most ridiculous remarks, which no sane person would make use of in normal conversation.

Anyway, the agency stuck to their point about our appeal being too dignified except for use in a few "class" magazines. They maintained that for

papers of national circulation, especially in areas outside London, we should come down a peg or two.

To prove their point, this agency's research department experimented in three areas (Lancashire, Midlands and South-West) with the "conversational" type of Press advertisement and with two other types of comparatively "cheap" appeal.

I do not mind frankly admitting that we simply hated the idea, and only agreed to the experiment after the most careful consideration. We relied considerably on the agency's opinion that the cheaper appeal would win.

In short, it did.

In Lancashire and the Midlands the experimental increase in sales was quite sufficient to justify the cheaper appeal being developed in these and other areas of a like type.

In the South-West the increase was not so great, but there was an increase.

It is nine months since the experiments were first made, and the result is now that by far the greater part of our advertising appeal is along lines which we ourselves would never have dreamed of putting out—and our net all-round sales are up by 17 per cent.

—From a Sales Director.

Private and Confidential

Private booth idea takes care of those 'diplomatic' phone calls

The person at the caller's end of the telephone cannot see if you are alone in your office. Quite unwittingly he may come through with some particularly confidential information just when you have a deputation from the staff, a friendly competitor or some important customer sitting within a few feet.

What do you do then? One of three things. Put your hand over the mouth-piece and ask your audience to retire; make excuses so that you yourself can retire to another room; make a lot of frivolous, non-committal talk with the double hope that your caller will perceive his untimeliness and that your audience will not suspect you are hedging.

None of this is very dignified, yet what are you to do? Plenty of matter comes over the phone to you which you do not want to discuss before *anybody*, except, perhaps, a co-director.

I saw a little plan recently in the office of a managing director which got over this difficulty very nicely.

This firm had an important Continental office in Paris, and confidential matter often came over the phone,

irrespective, of course, of who might be in the office with the managing director at the time.

In this office, therefore, a sound-proof phone cabinet had been built. It was about twice the size of those little rabbit hutches known as "public call offices", and was furnished with a chair, table and scribbling pads.

In-coming calls from Paris were invariably put by the switchboard girl straight through to the cabinet and a special code ring on the managing director's phone bell advised him when he was wanted there.

No matter who was in the room he could always retire to the cabinet "to answer the phone", and the most natural thing in the world was for him to pull the sound-proof door to after him.

Result: absolute privacy without a lot of running about or loss of dignity.

Of course, whether the in-coming call was from Paris or from only a couple of doors up the street the managing director could always break in and ask the switch girl to transfer to the cabinet if the nature of the talk warranted it.

just enough to enable him to remember things that he would otherwise forget.

Perhaps this little trick would be useful to business men who have a tendency to forget. Certainly there is no field of activity where the little courtesy of recalling names, or the ability to retain relevant facts in one's mind, is more valuable than in business.

—ROBERT R. UPDEGRAFF.

Cuts

PACKING TIME
50 Per Cent

Makes the job easier and less costly, too

The manager of a packing department found that his packers first selected a sheet of paper of the correct size, and then placed it in a convenient position before wrapping. The ball of twine was located in some cases on the table. Time was lost on each parcel in searching for the short end, as this was not always left in the same place. In other instances the ball was kept under the table, the end being brought through a hole in the latter. Sometimes, however, the short end fell through the hole and time was wasted in recovering it.

The manager reduced the number of different sized sheets to three. These were placed in three piles side by side. Wire eyes were suspended from the ceiling about four feet above the sheets. The twine was brought through a hole in the table and then through the eye. The end hung down a sufficient length to prevent its sliding back.

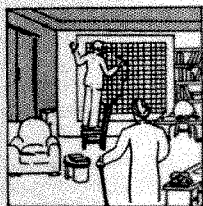
Thus each order was piled direct on the sheet which was to be used. This eliminated the time spent on selecting and placing the sheet. The end of the twine could be found almost unconsciously, as it was always in the same relative position. And no further time was lost in searching for, and re-threading, the short end through the hole in the table, as the twine could not slip back through the eye.

Jewellery Display
When You Want It

A novel window attraction device is in use by a progressive firm of retail jewellers in Berlin. The figure of a mannikin with outstretched hand in the vestibule of the shop, outside the window, bears the injunction: "Touch my hand with silver, and watch." When the observer touches the palm with a coin the interior of the window becomes brilliantly illuminated, and a black, velvet-covered turntable on which jewels are displayed slowly revolves. The idea is planned on the basis of the window-glass acting as a dielectric between two metallic conductors.

A Good Way to KNOW Figures

Mark Them on the Chart Yourself



Standing on a chair and marking a spot on a six-feet-long wall chart was the managing director of a firm that sells a well-known food-stuff; and from

this elevated position he called "come in" when his secretary brought me to his door.

"Good heavens," I said as we shook hands, "with an office staff of 200

do you have to do that for yourself?"

"No," he said, "I don't have to. My secretary used to do it and the result was that every time I wanted to know that figure I had to get up and look at the chart. But when I take the figure from this slip of paper and get on a chair and mark the chart myself it is as though that figure was driven into my brain with a hammer. I cannot forget it."

Good idea. Try it yourself some time. E. T.

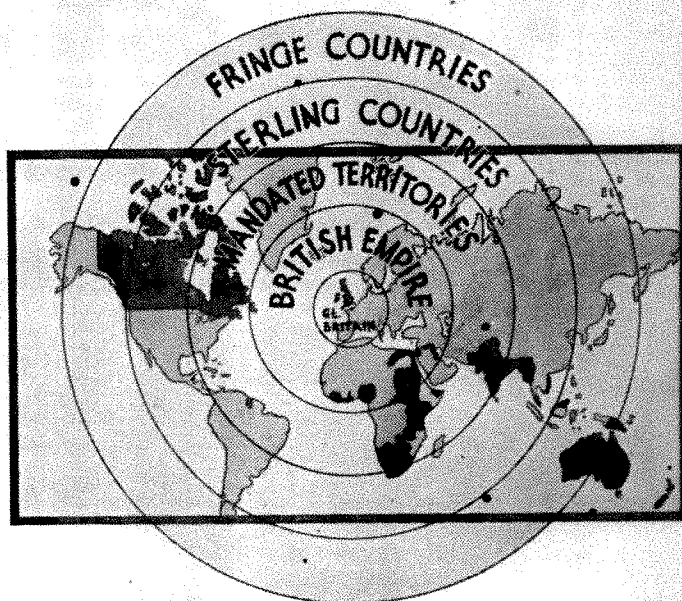
Another Memory Aid:

As Effective, Yet Less Strenuous than the Above

A young friend of mine who is cursed with a poor memory tells me that he has learned a trick for retaining certain facts that he reads or hears. He imagines himself repeating the information to some third person.

When he comes upon an idea in his reading, for instance, he visualizes himself as telling it to a friend. In this way he makes an abstract name or idea or story become a concrete experience in his own life. This, he has found, is

December will NEAR RECORD as it bows out 1934



The trend of trade at the moment divides into three distinct geographical sections, each of which follows its own course.

All the trade indices in Great Britain have on balance continued their upward trend. They are detailed in the usual way further on in this article. And in this can again be included the other parts of the Empire and the sterling area countries of North-western Europe and South America.

But on the Continent the economic situation has intensified in fragility, if not uncertainty, in the last 30 days. Likewise, the international political situation is less favourable than it was a month ago.

A third pair of influences on our trade are uncertain, but they have perhaps slightly improved, certainly they have not worsened: in the United States there is a better psychological outlook, and in some fields slightly better figures than a year ago; but, fundamentally, has there been any turn for the better? In the Far East, while politically Japan holds to her set self-interested course, commercially there may be a slight *rapprochement* towards British industry. Chinese conditions also seem slightly more favourable.

This is the epitome of the trend of trade during the past month, and an index to the direction it is following. On balance we consider that it means, for Great Britain, a continuance of the steady improvement which has taken place since July and of the general upward curve which has been going on now for nearly two years.

Improved Exports Affect Everybody

The most favourable British factor during the last month is our increase in exports. We have always emphasized the importance of our maintaining and slightly increasing our exports for this reason: exports directly affect the businesses of very few of us—only those of us who export in considerable volume; but indirectly they most vitally affect all of us. For the more we export, the more must be manufactured the more employment results, the more activity is produced; and the more we export, the more we can import in the

way of raw materials, and therefore the more we can afford to consume ourselves.

Exports were £3,500,000 more than a month ago, nearly 10%; £2,000,000 more than a year ago. Imports increase by £11,000,000, or nearly 20% on a month ago, and by nearly 12% on a year ago.

Also, the immediate future for exports looks favourable. The commer-

coal exports has been increased by 10% which should mean 35,000 tons more per month. Trade negotiations now going on with Poland ought to lead to increased coal exports.

The tendency in Empire trade is consistently towards an increase in our exports. The Anglo-Japanese-Manchukuo agreement of the recent British industrial mission to the Far East is already resulting in orders for heavy goods for both Manchukuo and Japan.

3

Signs of the Month

All our trade indices continue to rise steadily.



Europe's economic situation certainly more delicate and 'touchy'.



International politics less favourable than a month ago.



BUT in the U.S.A. the psychological outlook is better—a good sign



and, in the Far East things are swinging a bit more our way.

ON BALANCE?

Nothing to upset our steady swing onwards and upwards to a prosperous 1935.

Production Barometer Rising Steadily

Production is on the rise in nearly all industries. Coal output was 2% higher than a month ago, 3% above a year ago. Pig iron shows a striking rise: 5% above a month ago and 40% above a year ago. Steel output in October is approaching the highest figures since 1929: 10% above last month and 20% above a year ago.

Shipbuilding is improving on the Clyde, the Tyne and in Belfast. Tonnage built is up by 100% on a year ago, at 604,000 tons to the end of September, and unemployment is down by 22,000, or 30%.

Exports of machinery last month were the highest since April, 1932, while the latest figures available concerning the production of motor vehicles in this country show an increase of 6.6% in private cars and the very large increase of 22% in the number of commercial vehicles produced. The latest available figures for licensing show an increase of 30% on last year.

Building statistics show increases in every classification. Building plans approved last month are 20% above a year ago, and the increase applies to all classes of building. Building employment is up by 9% on a year ago, although of course, because of the oncoming winter season, down on a month ago.

The textile industries are better. Cotton shows slight improvement: cotton consumed and exports and numbers employed are all up.

In the woollen industry employment

cial debt settlement come to with Germany should lead to increased exports of textiles and just possibly of coal. The French quota figure for British

and production and exports are up on a month ago although somewhat down, for special reasons we have detailed before, on the peak figures of a year ago. Reports of home trade in wools are even more favourable: in the clothing industries manufacturers are working overtime, and stocks are too small for orders in hand.

Total United Kingdom production for

the third quarter of this year was nearly 9% above last year, although, because of the summer slack season, slightly below the second quarter of this year.

Good Figures For Home Trade

All the signs for internal trading activity point upward. Retail trade is up 3.2% on a year ago. Bank clear-

ings are up on a year ago and very largely up on a month ago. Rail traffics are up on a year ago, both in goods and passengers, and the tonnage of goods transported is up by 9%.

Electricity production is up by 15% on last year.

Postal traffics increased by 1.4% on a year ago.

Prices and the cost of living remain steady. The cost of living is up by one point on a month ago and a year ago. Wholesale prices are down by one point on a month ago and up by 1½ points on a year ago. Raw materials are almost exactly the same as a month ago and a year ago.

Coal Dispute Spoils Unemployment Figure

The unemployment figures are unfavourable: as compared with last month 37,000 down. But the seasonal trades—hotels, building, shipping services, distributive trades—alone accounted for 45,000 increased unemployment. This unemployment in the seasonal trades would have been wholly made up by the decreased unemployment in all the textile and clothing, and the iron and steel and engineering trades, except for an increase of 22,000 unemployed in coal mining (compared with a decrease between the same two months of last year of 18,000). This was entirely due to unusually warm weather and the fact that the late summer strike threat in South Wales caused buyers to anticipate their orders earlier in the season. But it is believed that the current month's figures will more than correct this drop.

Dominion Survey Marked Improvement

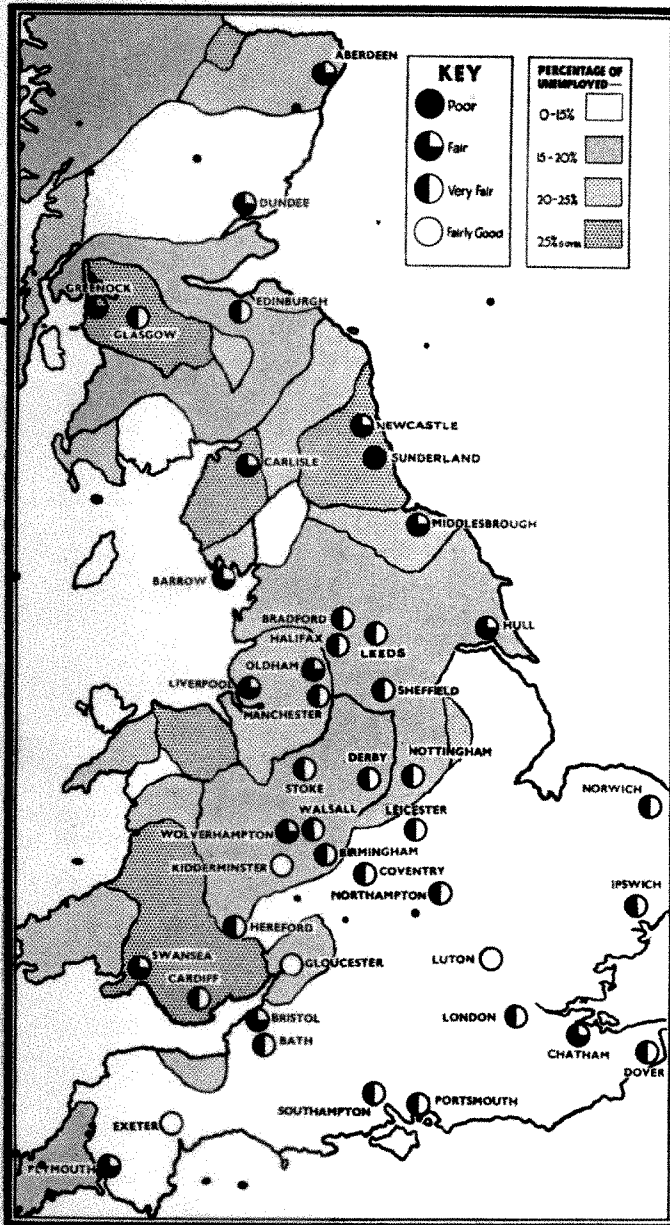
No untoward developments have interfered with the upward trend in the Dominions. Thanks to the rise in the price of gold, South Africa's improvement is the most spectacular. During the month of August alone she imported over £6,000,000 of goods, the highest figure since 1929. Yet, thanks to the price of its chief export, the country still enjoys a favourable trade balance.

Australia's improved budgetary situation, credit and trade balances are again attested by her large conversion operation which has reduced the level of her interest rate to 3¼-3½%. Another sign of her prosperity was her record imports in August.

New Zealand shows an almost identical position, with record post-slump imports for August, due to the farmers' prosperity.

The Canadian improvement also continues without interruption despite the stagnation across the border. In September employment reached the 1926 average level; wholesale prices are holding up; retail prices are steady; retail sales for August were 1.5% ahead of those for the previous year; industrial production was 7.5% ahead; while exports were the best of the year, and showed a favourable trade balance of almost \$6,000,000.

HERE IS THE SITUATION THIS MONTH



London District: Unemployment has risen on the month though it is well down on a year ago. Textiles and engineering are active, and domestic building development continues. The improved export figures have had a good effect on the city, and general industrial activity has risen during October.

E. & S.E. Districts: The crops this season have been good. In Ipswich, Norwich and the rural areas unemployment has fallen. The fishing industry showed a recession, the catches being lower in value than those of a year ago. Export trade in herrings has been hampered by German exchange difficulties.

Midlands: In 10 out of 13 major areas unemployment decreased on the month and on the year. The iron and steel industry is very active. General engineering has improved and motor manufacturers are busy. The machine tool trade is active. Overseas trade in electrical equipment is increasing and radio manufacturers report a demand for expensive types of apparatus. Development of the South American market is hampered by exchange restriction.

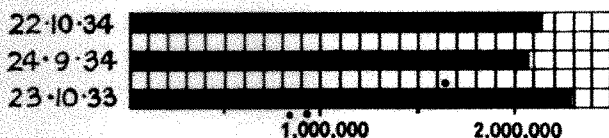
W. & S.W. Districts: In Wales unemployment is worse than a month ago, and in the north-western area it has only varied slightly. The tinplate trade is holding its own; production is at 70% capacity. The coal mining industry has been disturbed, and exports from South Wales have fallen off. Ship repairing is improving slightly.

N.E. District: A good part of the improved retail trade comes from the depressed areas. The Northumberland coal-field is busier than the Durham field, and there is a firm demand for steam coal. Shipbuilding is looking up for four destroyers and two cargo vessels have been ordered. The iron and steel trade is busy, while woollen manufacturers report "mixed" business. Multiple tailors are experiencing an unusual seasonal demand. Unemployment has decreased on the month and on the year.

N.W. District: In spite of two reorganization schemes, confidence has not returned to the cotton industry, but inquiries show plenty of potential business. Engineering is active, large orders having been received from home and abroad. Motor and aeroplane engineers are busy. Unemployment in most industrial areas has decreased. Shipbuilding on the Clyde is steady though there is still room for improvement.

UNEMPLOYMENT—DOWN

Number of Insured Persons Unemployed



Each Square = 100,000

In India, too, there is a noticeable development in overseas trade, evidencing an improvement in economic conditions.

The fact that Australia is contemplating a trade agreement with Japan, and Canada has started trade negotiations with the United States, is looked upon as a danger by some British observers. It is rather the reverse. For, if Australia and Canada can export more goods respectively to Japan and the U.S.A., it means that they will have so much extra income to spend, and even if they spend part of that on Japanese and American goods they will doubtless have some of this increased income left over to spend for our goods; in addition to the general advantages that any increase in their production and prosperity brings.

Overseas Conditions Most Unstable

That the political situation on the Continent and the Far East has not improved, and is a deterrent both to international business and to our internal trade buoyancy, cannot be denied and should always be kept in consideration by business men in their future planning.

There is the puzzle of Germany's internal political situation. What direction will that situation take after the Saar plebiscite? What will be the Franco-German political reaction to the plebiscite no matter what the outcome of it is? Is there coming a Franco-Russian alliance versus Germany? Are the Marseilles assassinations going to increase the tension between Jugo Slavia and the little Entente on the one hand and Hungary and Italy on the other? Will it stir up friction in the Balkans again? What will be the German attitude towards Austria once the Saar plebiscite is out of the way? Is the Spanish political situation going to settle down?

Continental Countries Slipping Back

The Continental countries have not improved their economic situation in the last month.

The gold countries have in fact lost headway during the last month. In both France and Belgium there have been changes of government. The very fact that both the new cabinets have definitely stated that no deviation from the gold standard was to be contemplated, has made the financial world all the more watchful of a possible sudden change.

Change of Tone in United States

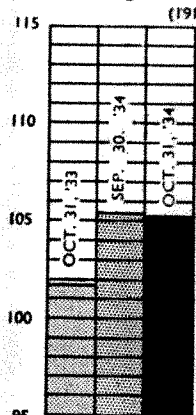
In the United States the psychological situation has again undergone one of those volatile changes of which there have been so many in the last five years. Mr. Roosevelt is supposed now to be leaning to the right, to have reassured bankers as to sound banking practice and industrialists as to accepted profit-making principles.

But there is not yet any reflection of

this improved psychological atmosphere in actual trade figures. And we cannot conceive that any sound or lasting improvement in the American economic situation can be built on the present fallacious and unsound economic found-

ation. So long as industry is only activated by artificial governmental stimulation, confidence damped by changing policies and uncertainty, so long will the final sound recovery in America be delayed.

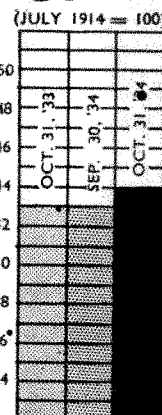
COMMODITY PRICES— UP



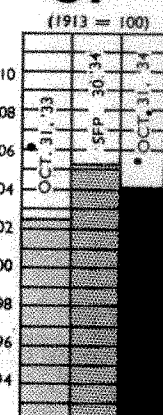
FOOD

MATERIALS

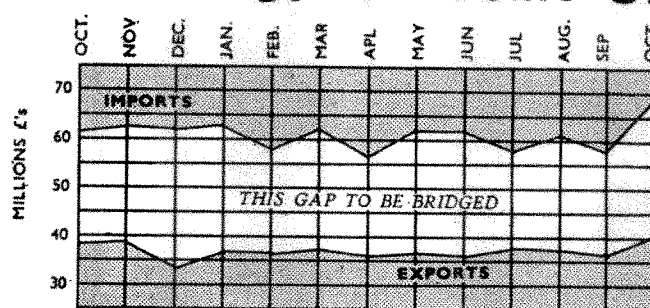
COST OF LIVING— UP



WHOLESALE PRICES— UP

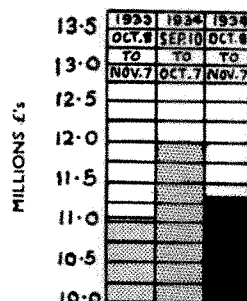


EXPORTS—UP

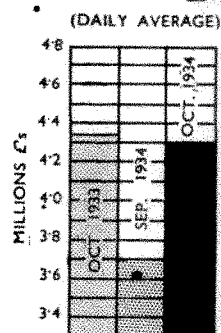


IMPORTS—UP

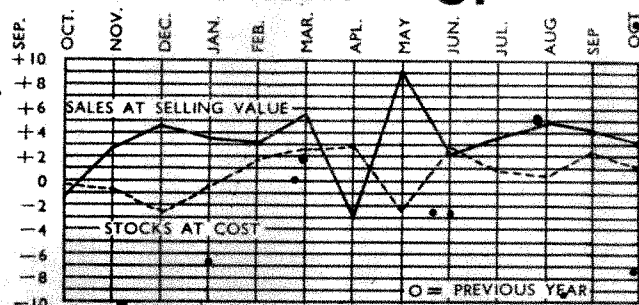
RAILWAY TRAFFICS—UP



PROV. BANK CLEARINGS—DOWN



RETAIL SALES—UP



PUTTING NEW LIFE Into an Old Business

Before going into details, I will first outline something of this organization in which many difficulties existed and in which results were far from satisfactory.

It was a concern which did not nationally advertise its products, and which had to depend to a great extent on the efforts of its salesmen, and orders had to be secured on the basis of their own sales ability. The company was not particularly well known in the trade, but its product was slightly lower-priced than those of other companies indulging in national advertising, and its fiercest competition came from such people. The distribution was not good, generally speaking, though it was alright in London. In the north they had to rely on railhead delivery up to a certain point.

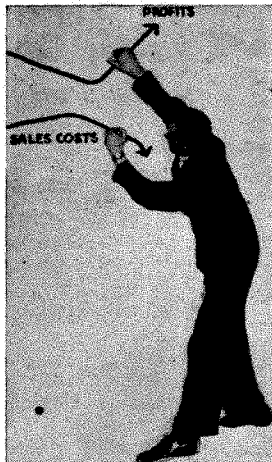
Salesmen Were Paid All • Sorts of Rates

The first problem that I thought should receive attention was the question of the remuneration of salesmen. There were 15 or 16 members of the sales staff, some of whom were receiving £4 a week and 5 per cent. commission on sales above a certain figure, some of them being supplied with cars and others having to provide their own. Other salesmen might have been getting £9 a week. There was no real level of salary which was generally adopted throughout the sales staff.

There was an interesting system adopted, particularly in relation to the salesmen who were on a low salary of, say, £4 a week with 5 or 6 per cent. commission above a certain figure. Those men were allowed to draw commission in advance to make their salaries up to something like £8 a week. Some of them overdrew their commission, and the result was that at the end of the year they were probably £50 or £60 in debt to the company, which the company found very difficult to recover. Again, the company had a system of helping salesmen who had their own cars, to buy their cars or to pay their insurance, the salesmen agreeing to pay back at the rate of 5/- or 10/- a week. This they did not always do, and usually at the end of the year there were certain debts which the company could not recover.

Some Salesmen Cost 4% Others 25%

The first thing I did was to try and work out some ratio between the actual sales that the travellers achieved and what they cost, taking a flat rate of what was actually paid to them and working it out as a percentage against



—New Sales Control
—New Payment Rates
—New Territories
—New Incentives
25% MORE PROFIT

their sales. The cost of the travellers varied from about 4 per cent. up to about 25 per cent., which was rather an extraordinary situation. Incidentally, I might mention that the salesman who cost 25 per cent. lived somewhere in Kent and that he had his territory in

sideration in fixing the scale of their remuneration.

The management then proposed to pay every man £6 a week salary, and that for all sales over the rate of £5,000 a year they would allow him an overriding commission of 6 per cent. Then arose the problem that one salesman might have a territory where it would be easy to get £10,000 a year in sales, while another, even though a better salesman, might be in a territory where he could only get £5,000 a year. One man might have a number of very large shops in his area while another might have only small ones.

By
R. SIMMATT, M.A.
National Institute
of Industrial Psychology

Norfolk. The situation was obviously not satisfactory.

The first reaction of the management was that they should pay every salesman on a straight-out commission basis. My own view was that salesmen should be contented in their work, and that they should not have to borrow money to meet their everyday expenses. You must give a salesman a certain sense of security in his position otherwise his mind will not be entirely on his work, though I believe, on the other hand, that sense of security can be carried too far. If a man feels too secure in his job he may rusticate and not do justice to his work.

Working Out an Equitable Payment Basis

This point of view was placed before the management. As you know, if a salesman works on a straight-out commission basis he may earn £50 one week and not 10/- the next. If he is on a salary basis he knows he will have a certain amount coming in every week, and on that basis he can meet his liabilities. The management then thought they would put all the men on a salary basis, and it was necessary to point out that some men worked harder than others, thus obtaining better results, a factor which should be taken into con-

These Territories Had to be Re-Adjusted

Readjustment of territories then came up for consideration, and it was decided to work on the principle of a fixed basic salary of, I think, £6 a week, according to a quota. Provided that the salesman sold a certain amount of goods, then he earned his £6 a week according to his quota; anything above that quota would be additional to the profits of the company and a percentage of them should be given to the salesman as an incentive to get the sales above quota.

By that means we levelled out the different salaries of the salesmen, but when we came to chart out what sales they made in comparison with salaries it was found that some of them did very much more than they were expected to do and others did less. Even on the quota basis some were costing too much. Therefore it was decided that some salesmen should be dispensed with and replaced by more effective men, a point upon which some companies are unnecessarily sentimental.

This meant that the production curve could be budgeted for more satisfactorily, and the production staff could buy their supplies well ahead and more economically, while there was an elimination of surplus stocks.

• (Continued on page 21)

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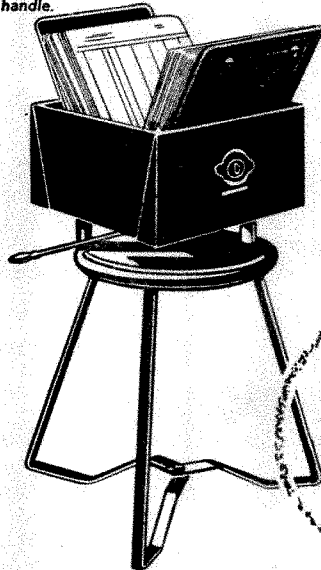
we invite you

to have the advice and help of our Systems Department, without the least implied obligation. Will you write us?

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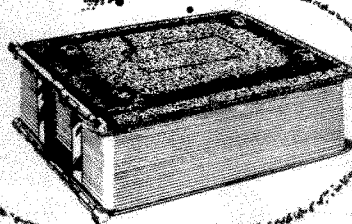
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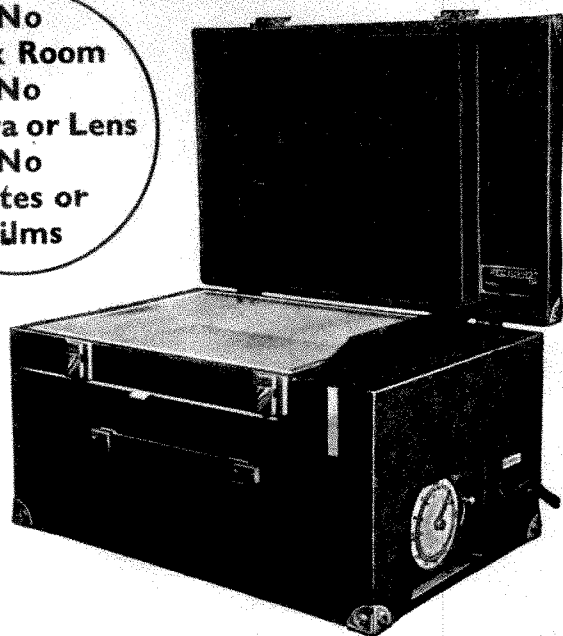
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Putting New Life into an Old Business

(Continued from page 18)

It was found that those salesmen who provided their own cars usually possessed an old model and were often prevented from attending to their work owing to repairs being necessary, the delay often amounting to as much as half a day per week. It was arranged that new cars should be supplied, that they should be returned to the dealer at the end of a year's running, about £1 a week for the cars, which was deducted from licences and insurances were paid, while the dealer did the necessary repairs. The salesmen were charged their salaries, and in the result less working time was lost.

The particular line the company was selling was confectionery, and it was important that as many shops as possible in each area should sell their products. About 50 per cent. of the shops in the various areas covered by the salesmen did *not* stock them. A list of several thousand such shops was compiled. It was thought that by calling upon them important increases in sales might be effected, but when the salesmen were consulted they said that they had already called upon them before and that they could not sell the goods.

There were two lessons to be learned from this experience. The first is that probably by sending round a fresh salesman, a "cleaner" or somebody like that, to call on such shops instead of the regular man, better results might be obtained. The second lesson is that the traveller who has been on the ground a long time feels that he is in the best position to judge what shops will stock the goods and what shops will not. I feel that, in many instances, headquarters get too many inspirations, although possibly you may not agree with me. The salesman, unless he is an absolute slacker, is probably just as much interested in getting those shops to stock the goods as is the company itself.

This New Salesman-Control Was Needed

The next point was how were the salesmen to be controlled. Previously they had been allowed to make their calls as they wished. On the Sunday night probably the salesmen made out a list of the towns they were going to call at and posted it to headquarters, who sent out advice cards to the customers in those towns. It was decided to reverse the process, and that a list of towns should be furnished to the salesmen which they were required to visit. It was estimated that so many calls could be made per day, and that a certain number of orders would be the result.

What actually happened was that when a salesman made the calls allotted to him for a particular day in a particular town he found that the prospective customers were not at business, and therefore he just packed up and went home. This points to the

moral that probably the salesman is, in many instances, best left to himself; he would probably have gone right away from that town to some other place where he knew a particular customer would be available.

The next problem was to try and find out some method of stimulating salesmen and mainly by an appeal to their self-respect as units of their organisation. A salesman likes to be considered as part of his organisation and not as a kind of social outcast, as he was in former times.

One method that was adopted was to tell him at the beginning of each month what he was expected to sell in that month. At the end of the month he was sent a statement as to what he had actually done, together with a kindly or a severe note, according to what the circumstances warranted. In addition to showing him what he had done he was told what he was costing the firm in the way of percentage of salary to sales, and his expenses were also shown with a red mark against them if they were too high.

Incentives Which Produced Still Better Efforts

This had some influence on the salesman, but it was thought it should go further. If he did very well, or if he did very badly, then it was recommended that the general manager should have him up in his office at intervals of a month or so, and either give him a pat on the back or tell him that he had not done quite as well as expected. This had a good result for a certain length of time, but eventually

the salesmen got tired of seeing the general manager, particularly if they had done badly.

The procedure was varied, and three degrees of contact were established. One degree was for the sales manager to investigate the figures and send a congratulatory note or otherwise. If the figures were extraordinarily good or extraordinarily bad then the general manager wrote something, or he might see the salesman if they were more than extraordinarily low, while if the salesman did something really wonderful in the month the managing director would have a look at the figures and write a congratulatory note.

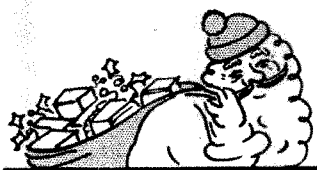
This system worked very well, but even then it was found that there was not sufficient contact between the management and the salesmen, who still did not appear to think that they were an integral part of the organisation. They were periodically invited to visit the factory, and one of the production experts explained to them any new products that were coming out.

What was termed a concentrationist was also adopted. At the beginning of a month each salesman was told that the management wanted to sell a certain line, and that he was to concentrate on that line for that particular month. The next month some other line was selected, and so on. This meant that there was one line continually to push before the customers, while, incidentally, in some cases a special bonus was allowed for selling certain quantities of such lines.

Sales conferences were arranged to be held twice a year, for the purpose of developing *esprit de corps* and of developing the idea in the minds of the salesmen that the management were

(Continued on page 43)

Any Santa Claus This Year?



Business is better, so why not? E. T. POWELL, Sales Manager of a well known concern, sends us a thought—

The old, old problem again: Shall we give the staff Christmas presents this year, if so what shall we give?

To most men—and women—employees nowadays cigarettes are acceptable. But the idea's pretty moth eaten, doesn't show much imagination.

Of course there's always the cash present, and that's probably the most useful of all, but difficulties arise. Shall Miss X, ten years secretary to my sales manager, receive more than Miss Y, my own very competent girl, superior in status, but whose service is but three years?

It can be worked out on a salary percentage basis, but when it comes to the "higher-ups" some rather hefty sums become involved.

No, I've thought of another idea.

Instead of a standard gift of cigarettes, why not a standard gift of, say, fountain-pens or propelling pencils?

Good terms for bulk orders can always be got from the suppliers; and so can excellent arrangements for repair service.

A good fountain-pen or pencil is always acceptable; moreover, it is *useful in the business*. Will probably cut down the constant petty expense for nibs, penholders, pencils, special inks, and so on.

Ever thought of that?

Such a gift is also just as suitable and safe for "customer gifts" if you have been so slow as to leave that important matter until this late date.

Anyway, there's the idea, I leave it to you.

No Title

just a few jokes . . . (or not; it depends which side you're on)



Who's the Reception Room for: Callers or Staff?

In Aldwych, London, there is an imposing five-floor head office of a very well-known firm. I called there recently. They have a fine reception-office, no poky little corner in a corridor but a big well-furnished room. Displays of the firm's interesting products are around the walls, and everything is there to make the caller comfortable.

And that is just as well, for if every caller shares my experience he will have plenty of time to get comfortable.

Having allocated about 1,500 square feet to this reception-room it was obviously necessary to have a resident receptionist. An attractive young lady therefore sat at a well-equipped desk and held the centre of the floor. But the firm, I suppose, did not consider the duty of attending to visitors was a whole time job, so this young woman was given clerical work to do.

When I arrived she apparently had about twenty thousand index cards to type. Anyway, she was so busy on this job that she did not notice me come in. As a matter of fact, there were so many people, obviously employees, in this reception-room that I did not know at the time that the typing lady was the receptionist, so I

went to a very comfortable chair and sat down.

Opening out of this room there were six important offices, plus the entrances to two main corridors. This reception-room was, therefore, a sort of Piccadilly Circus. Dozens of people, from rotund, prosperous looking executives to lady secretaries and messengers constantly rushed to and fro or met in groups to have conversations, discussions, arguments and so forth. In fact half the firm's business seemed to be done in this delightful apartment.

It was a wet day outside and marvelously warm and comfortable where I was sitting, but business had to be attended to so I approached the lady at the desk who, by now, I had decided really was the receptionist, and asked what about some service.

"Oh, I'm awfully sorry, sir, I didn't notice you come in."

I might have retorted: "You're tellin' me?" but there was every excuse for her not noticing a caller. What was I among twenty thousand cards to be typed and half the firm's personnel making whoopee in a room ostensibly for callers?

I believe I could have sat in that comfy chair till throwing out time.

Experienced by
THE EDITOR

this I could gaze at a large notice threatening dismissal to any member of the staff caught smoking. I continued to puff at my pipe.

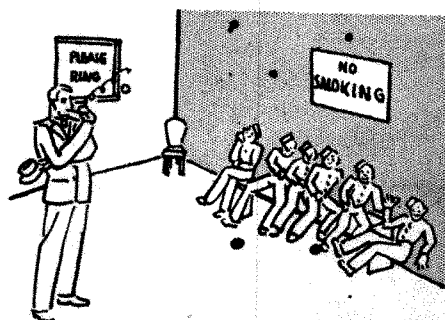
At the end of ten minutes nothing had happened so I tapped the window and asked the youth what about it. He dispatched another messenger to track the first.

Another five minutes in the dreary passage and still nothing happened so I knocked the window again: "What about Mr. So-and-So . . ." I began.

"He's out," said the youth.

"Then why the hell didn't you say so?" I stormed, and walked away looking for something to kick.

Funny that that firm has been able to keep in business for over fifty years.



We're all Sign-Minded: Why not a Sign on the Door?

Here's another little snag I ran up against the other day. It's quite a small one, but I bet it has existed for years without anyone on the staff noticing it.

The office I wanted was on the fourth floor of a modern building. Right opposite the lift as I stepped out were two doors. They were exactly alike, and both bore the firm's name in the same style of lettering. I hesitated, then walked through the nearer.

At once I was inside a little box-like affair—the firm's telephone switch-board! The operator was busy with a message, but in a way which indicated her long experience of such blunders as mine she swung round resignedly and jerked her thumb in the direction of the door on the left.

There's no prize for suggestions as to how this arrangement might be improved.

Job Here for a good 'Sergeant-Major'

Now for a dig at a firm in the same line of business as ourselves—publishers.

I called to see an executive in a well known house not far from the Strand. The "reception" office was a nasty little window in a passage distempered red. I tapped the window and gave my card to the youth in charge. A

messenger was dispatched with it to the executive I wished to see.

In the meantime there was nothing for me to do but wait, standing up, in the passage. For entertainment I had the edifying sight of six relay messenger boys, noisy little beggars of the usual type, playing at shoving each other off the end of a form. As a relief from

I don't want to point any morals about the attitude of the above three firms in regard to "reception". But I do feel that in this one point of business organization firms seem less developed than on any other matter. I could, at this moment, write down the names of dozens of concerns, and not obscure concerns at that, whose reception still consists of the nasty little window peep-hole, and the drab passage or cubby hole where callers, whoever they may be, make first acquaintance with the firm.

Sometimes the concession of a hard form or a kitchen chair is thrown in, but very often it is not.

Even polite and intelligent attention by a well trained staff does not entirely compensate a caller for the bare furnishing and frigid atmosphere of what seems to be a morgue or a prison.

I have one instance in mind of a very modern office at which I called where the "reception" was the regulation spy-hole cut in a blank wall. But here the office inside threw this crudeness into violent contrast by being furnished like a millionaire's yacht. Why such luxury and generosity inside and such meanness outside? Seems thoroughly bad business to me.

Fancy the proprietor of an important high-class shop in a competitive neighbourhood having his window look like a ha'-penny sweet-shop in a slum. Attract a lot of customers, wouldn't he?

Yet the analogy is not far out. The management of a concern only knows what business comes to it in spite of its reception arrangements. It rarely knows how much business passes it by because possible customers feel they

"do not like that sort of a firm."

There is no hard and fast standard as to what constitutes the ideal reception, the reception best suited to build goodwill, prestige and to create and hold business. It depends on individual circumstances. But I do suggest that in very few cases would management find it wasted time to check over periodically the exact conduct of its reception arrangements. In too many cases are these arrangements looked at from the point of economy for the firm instead of from the point of view of the possible caller. Imagine yourself calling on your firm. What would you like to find? How would you like to be treated?

And don't forget it is the little things as well as the big ones which affect a caller. It is not nice to see a reception-

ist chewing gum, or exchanging jokes with a colleague while one cools one's heels. A caller does not like to be treated like a trespasser, or ignored as though a nobody. He doesn't always like to be compelled to stand up while waiting, and he may not like kitchen chairs or hard forms.

It is not unknown for a receptionist to eat his or her lunch out of a paper bag whilst on, perhaps, emergency duty. The sight is not edifying to a caller.

Sometimes, too, the telephonist is the receptionist. She is often so busy with her switchboard that the caller is made to feel like an intruder.

A little sane thought; yes, and maybe a little money, is all that is necessary to make reception just what it should be.



WHACK the Price Cutter

Says
A. HESSE
Director
Yardley & Co., Ltd.

Therefore it must be remembered in coding an article that the manufacturer must make use of all the ingenuity at his command in order to do it in such a manner as to make it impossible for the price-cutters to remove the mark. To carry out this policy satisfactorily, every wholesaler through whom goods are distributed must have a special coding, and a registration must be

in thinking seriously on the subject of price-cutting—particularly as I myself am daily meeting with it not only in the United Kingdom but in many other parts of the world—I am inclined to use the quotation: "The fault, dear Brutus, lies not in our stars but in ourselves." By this I mean, is the manufacturer always as sincere in his efforts to maintain prices as he would have his customers believe?

WHY?

He is a parasite. He upsets your goodwill among retailers and destroys confidence in your products

I am afraid this is rather a debatable point.

Price-cutters are the highwaymen, and parasites of the legitimate and reputable trader. They undermine the confidence in an article. When after many years of intensive work in developing the popularity of a product, the manufacturer at last sees his reward in sight, his trade can be ruined by the destructive methods of the price-cutter.

Who wishes to handle, or for that matter who can afford to handle, an advertised proprietary line, the price of which is supposed to be stabilized, when next door there happens to be one of those pernicious individuals offering the same line at a cut price? The legitimate trader may fight against it for a short time, endeavouring to keep to his agreement with the manufacturer, but inevitably he either follows the price-cutters' tactics or says quite frankly that he cannot afford to handle a line which does not show a satisfactory profit.

But what are the remedies?

It is very much easier for a manufacturer to control prices if he sells only to retailers as he can then pick his outlets, and make it a *sine qua non* that the goods are only sold on the definite agreement that the retail prices as fixed by him will be faithfully maintained.

However, when a manufacturer distributes his goods through wholesalers, his difficulties are more obvious. One of the most efficacious methods of combating price-cutting is to code an article, but this is not as simple in practice as in theory. The manufacturer will find that his aims in this direction are very often defeated by the price-cutters removing the code marks, as it is a well-known fact that the cutters will go to any lengths to do this in order to conceal their source of supply.

kept so that when a coded article is found in the shop of a price-cutter, it can be purchased and traced back to the original wholesale supplier.

If you are one of the unfortunate manufacturers of a proprietary article that has interested these "highwaymen of commerce," and are compelled to code your article, do not do it in a half-hearted manner, even though it may cost you a few hundreds of pounds

HOW?

Code your goods. Select your retailers. Have price agreements. Above all—stick to these arrangements

a year to carry out your policy.

By doing this you are establishing confidence with the legitimate and responsible retailer, and though you may not be able to eliminate price-cutting entirely, the fact that you are endeavouring to do so makes your customers appreciate and support you far more than they would if they thought you were only making a gesture at price protection.

I am afraid many manufacturers are not entirely blameless on this latter point, conniving at it when a substantial order is received from a doubtful firm. My own rule is never to hesitate to turn away business if there is the slightest possibility that the firm will cut prices, or supply price-cutters.

It is essential that all wholesalers should sign a contract undertaking never to supply goods purchased from the manufacturer to any firm considered as undesirable by the manufacturers on account of its price-cutting proclivities. Wholesalers should also be warned not to accept orders for any unreasonable quantities—in every trade there is a recognized "reasonable" quantity that a retailer would purchase through a wholesaler—and if an unusually large order is received it should be referred to the manufacturer. This is co-opera-

tion in the true sense of the word.

It is not so necessary to give a special coding to retail customers, because, as previously mentioned, the retailers can be selected, but they should be under contract not to resell to any other firm. However, it might be advisable to code goods even when they are supplied to retailers, as there are cases where goods are passed on by them to price-cutting firms.

I think we can decide that the manufacturer dealing direct only with the retailers, and eliminating distribution through wholesalers, has a far easier task than the manufacturer with wholesale outlets.

In conclusion, and to link up with my quotation, the manufacturer must himself be whole-hearted in his efforts if a policy of price maintenance is to be a success in any sense of the word.

which is insurance against flat feet) and said: "This posture thing keeps your feet from perspiring". I said "8/- seems quite high", and as soon as I made this statement the assistant took this shoe away from me and brought out a 3/4 shoe. No effort was made to sell me the good shoe.

**Assistant surrendered to price.
[Did not know sales story.]**

When I asked for canvas shoes the assistant brought me a pair at 4/-. I said that the canvas seemed very stiff and he said "No". I then said the sole would probably mark a gym floor and again he said "No". I then asked if he had anything better and he said: "These shoes are really good enough for gym work". He did not offer to show me a better shoe.

**Assistant not courteous.
Knew no features.
Did not try to make a better sale.**

This was a nice department, featuring Buster Brown shoes. A girl waited on me immediately, and showed me a Hood shoe. I handled it, and she said it had an arch which kept the feet from going flat, and also had the Hygeen Insole, which prevented perspiration odours. She said the shoe was well-made with a heavy sole which made it long-wearing. She never mentioned the price until I asked her.

**Knew the features.
Showed good shoe first.
Did not mention price.
A nice selling job.**

I asked for canvas shoes. The assistant brought out some Hood Hykeshus and started to talk about flat feet and how Posture Foundation has corrected this evil. He also talked about the Hygeen Insole, and the fact that no more perspiration odours would come from canvas shoes with this insole in them. He also said the shoes were good fitters, not just like a bag over the foot. He then stated that the uppers were ventilated and porous, and the price was only 8/6. He later showed me a 6/- shoe, but said: "However, at a little more, this first shoe is much better, and worth the extra money."

**Overlooked no features.
Did not surrender on price.
Knew his story well.**

It is a simple matter—and a necessary one—for the small retailer, and the small manufacturer who runs retail shops, to use some sort of research, such as this:

The Hood Rubber Company is a very large concern and carries its sales research very wide and deep. But the principle can be just as well used by the ordinary retailer.

Check up HOW They Sell

Quite unconscious of their faults your assistants may lose many sales. Test them by this check-up plan. It is quite easy, and may help many an assistant to become a star salesman

From D. C. WHITTINGHILL

Manager : Sales Research, The Hood Rubber Co., Inc.

In the big department stores all sorts of ideas are made use of to test the assistants, to see if they are on top of their jobs. Not that secret tests are used to "trap" assistants; they are made to help the staff to become better at attending to customers. And, incidentally, of course, to improve the store's business.

But staffs in the smaller retail shops are just as much in need of checking.

Mr. D. C. Whittinghill, whose firm is in Watertown, Mass., U.S.A., is a reader of BUSINESS; he has sent to us the following few instances out of many recorded, of how widely different shop assistants can be, even though handling the same product.

The member of the sales research staff who visited the shops was obviously unknown to the assistants. The report is here:—

The assistant in this store spent some time talking about the weather. When I asked for canvas shoes, he said: "We have some at 4/- and some that are cheaper, so he first brought out a 3/4 shoe. I said I wanted something better, so he showed me a 4/- shoe. I noticed there were some higher-priced shoes in a display case.

His only sales talk on the 4/- shoe

was: "This is a good shoe because we have sold hundreds of them". I walked out without buying.

**Assistant made no effort to sell.
Did not show the better shoes.**

When I went in and asked for canvas shoes the assistant said, "5/- and 8/— which do you want to see?" I asked to see both. After looking at them, I asked why there was such a big difference in price. He took the two shoes from me, and balancing one in each hand and looking up at me, he said: "This one (8/-) is a little bit heavier, but I think this one (5/-) is just as good."

**No features mentioned.
Poor approach.
Deliberate surrender to price.**

The assistant first handed me a cheap canvas shoe. I said I wanted something a little bit better and was handed a named shoe with the statement that it was very good. The assistant kept looking at the front of the carton, probably three or four times. He then pointed to a special point (a new Hood feature

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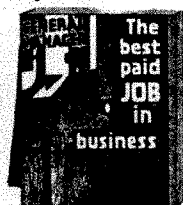
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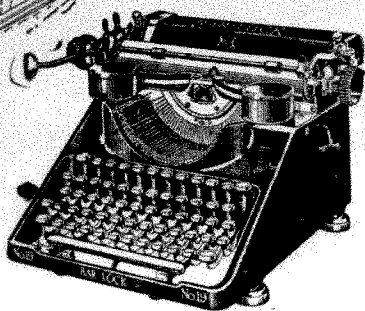
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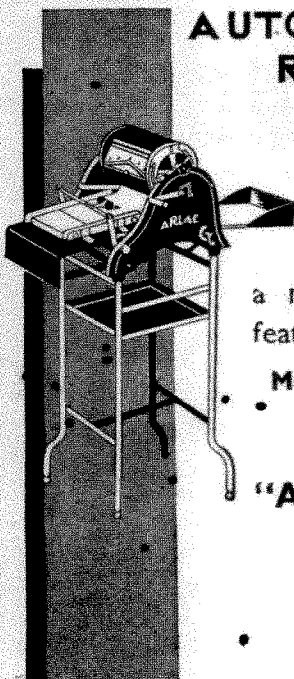
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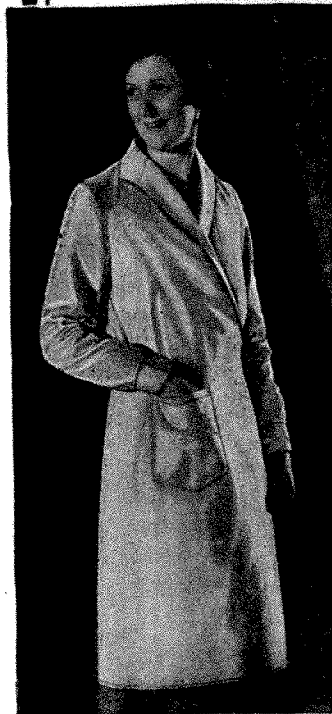
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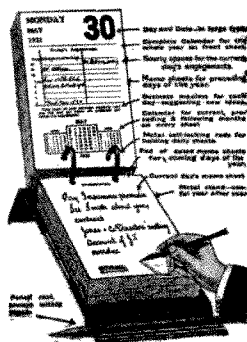
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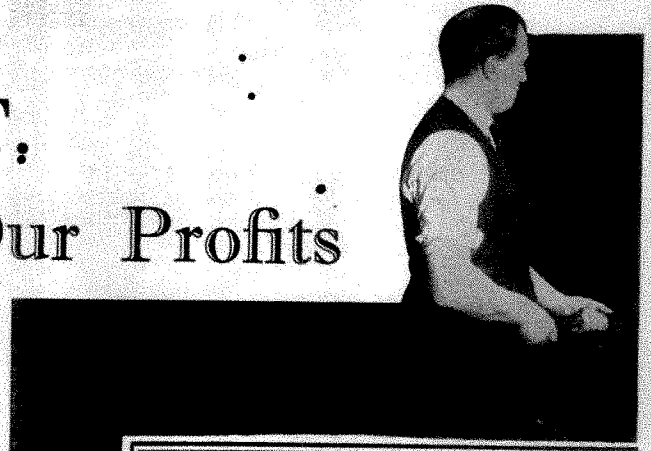
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A PLANNING DEPT. Rescued Our Profits

From

CHARLES W. FRAME

Director: Miller, Crompton Ltd.



Don't think a Planning Department is a high-brow big-firm monopoly. It isn't. Planning is just plain sense. Any SMALL business can use it

We are not a large firm. We probably muster 200 on the pay roll, office and works. Small electric machines and appliances is our line of business.

About a year ago three faults began to show up prominently. They were:

1. Growing complaints from customers about our not keeping to scheduled delivery times.
2. Too much waste raw material in the works.
3. We were being undersold by some of our competitors.

Here was an S.O.S. if ever there was one. The business couldn't carry on in the face of such faults.

I had heard and read about scientific management and planning, but like a good many other people, I did not at first think I could reorganize on the scale such a change would entail. And I certainly could not add to the salary list. Nevertheless, something had to be done to cut costs, to speed up production, and, more important still, to take a lot of the detail off my own shoulders so that I could get a better grip on control generally.

I decided to try a planning department on the lines of some of those I had read about.

In the average size concern there are heaps of jobs made more complicated than they need be, and there is always a lot of good brain power used up doing routine work that could just as well—perhaps better—be done by lower grade labour.

The thing is to re-shuffle these details and to get them nicely allocated without causing any upset.

To Start With, Get This Bird's Eye View

The first thing was to get a bird's eye view of the whole business. To identify every person and every job, to see who was doing what, and why. In this way it would be possible to short-cut all the roundabout ways of doing things and to throw out altogether the useless jobs. When things were made shipshape the planning department could follow.

An organization chart was drawn up on which was shown every individual

in the business. To check up with this chart, each department head prepared a list of his own duties and responsibilities as well as those of his staff.

For some time I had been receiving a note of any comments, adverse or favourable, made by customers, and also a report on any delay, mistake, or untoward occurrence in the business, and these came in very useful in enabling me to judge just where the sources of weakness were.

There had been several complaints that goods were not invoiced to time. The chart revealed that while there was direct responsibility for the order from its receipt to despatch of the goods there was no such responsibility for a copy or a notification reaching the accounts department, and it was only because the book-keeper had a sharp eye that the goods were invoiced at all.

Office Routine Revealed As Too Long-winded

Quite often we were troubled with delay on the part of the railway carriers to collect goods, and again the chart showed that there was no means whereby despatches were scheduled and that what had happened was that frequently the carrier was called for collection to find that nothing was ready and that long waits were occasioned before a van load could be gathered.

Other instances of weakness came to

It needed no additional staff to run this new department

light and were remedied by very slight adjustments in the organization.

There were still causes for delay and

loss of documents which I could not yet fathom, and it occurred to me that the progress of the work through the office was not at all what it should be.

A lay-out of the offices was prepared showing the position of every desk, filing cabinet, etc., and on that I traced the progress of the work. It was amazing how devious was the route followed, and by re-arranging desks and furniture I reduced the time of handling an order from 12 hours to 7.

By putting all the filing cabinets together to form a central filing department, I saved the time of one girl and marked her out for my proposed planning department.

Most people regard a planning department as suitable only for a production department, but I began to realize that it was needed as much in the office.

In the accounts department we had two adding machines and a book-keeping machine with two operators to the three machines, but the figures which I had hoped to get each morning from these machines were invariably a day late.

Control Figures Came Out Too Late

The trouble was that the three machines were put in a small room where the girls were not subject to supervision, and all the files, papers, etc., from which their figures were prepared were in various places in the department. A re-arrangement provided for the location of the machines close to the records, and a considerable speeding up of work resulted.

In the selling organization there was a sales manager, an advertising manager and a common assistant with

two juniors. I had kept my eye on the assistant for some time as being too good for his job but there was little possibility of promotion there. He seemed to be the man for the planning department—but could he be spared?

Again the chart and the work list showed many little possibilities and much of the routine work done by the assistant was taken over by the juniors. An advertising agent was appointed who relieved the advertisement manager of a great deal of routine work, and the advertisement manager became the sales promotion manager leaving the sales manager to concentrate on getting orders direct from markets.

Helped Works and Sales Staffs to Co-operate

Travellers reported at infrequent intervals and no scheduled itinerary was prepared with the result that the following up by correspondence was spasmodic and ineffective. That was all altered by the preparation of a weekly report form which every traveller had to submit.

There was no close co-operation between the works and the sales manager with the result that we were sometimes oversold on some lines and badly overstocked with others. A brief report of production, scheduled output and stock sent to the sales manager each week remedied this.

The problem in the works was a difficult one. We knew that a better lay-out was possible, but to pull heavy machines from concrete beds and put them elsewhere was too expensive to think of and structural alterations would have been necessary.

It was found, however, that by putting a welding machine in each bay of machines instead of grouping them in one section, the route of the work was reduced by over 25 per cent, while the removal of a varnish-dipping tank from the middle of the main shop to a position near a corner door gave more room for finished material and easier access for the carriers.

As each department was dealt with so the organization chart was adjusted and when the whole business had been examined a new one was drawn up based on the results of the investigation. Departmental lay-outs were redrawn and every job scheduled.

The Planning Department Is Born

The planning department then came into being as an official department and the sales assistant who had had works experience took charge.

It became his job to see that every order was scheduled not only for delivery date but for departmental date as well. Every delay, mistake, or complaint was investigated by him and he had full authority to deal direct with any individual in the business. All matters of routine are discussed and settled each Saturday morning at a

conference to which all heads of departments are present. Urgent matters are handled immediately.

Whenever a new model is projected or departures from standard design are suggested all matters converge to the planning department where preliminary discussions and conferences take place until the proposal is far enough

advanced to come to me for a decision. This means to me a very considerable saving of time and worry because before I had to handle the details submitted by each department and had to piece together all the items of information before I was able to discover on what basis my decision had to be made.

How to Keep Down those Transport 'Overheads'

RICHARD TWELVETREES, A.M.I.Mech.E.

Associated Equipment Co., Ltd.

The majority of commercial concerns using motor transport vehicles are not able to run ideally-equipped service and repair depots and garages. The high overhead expense of such organization puts it beyond consideration.

The average firm carries on—and quite successfully, too—under conditions that seem at first sight old-fashioned, if not primitive. Let us

the foundation for gradual standardization of the fleet by the purchase of modern "light-weight" models, capable of being run to the best advantage with regard to pay-load capacity and reasonably high legal speed limits, in addition to embodying such features of design and construction as to reduce maintenance work to an almost negligible extent.

Standardized Fleets give these Cost Advantages

Definite advantages are obtainable by standardizing the fleet with one maker's products even if several types are employed; for, in addition to the undoubted publicity value afforded by a fleet of uniformly smart lorries, the range of spare parts and replacements required for repairs and overhauls can be limited to a very few items, so that very little capital need be locked up in their purchase, and the cost of store-keeping will be cut in proportion.

Furthermore, as the owner of a one-make fleet, the user will get those special benefits accorded to important customers of the manufacturer, and the whole of the service arrangements will be easier to administer than would be the case if supplies had to be drawn from several different sources.

Care in selecting drivers is almost as important as the choice of the vehicles themselves. The more one thinks about it, the more obvious it is that one of the biggest items in overhead cost is that incurred to provide premises and equipment for the correction of mechanical troubles created entirely by careless or incompetent driving.

Low Wages are Usually False Economy

On paper, one may see figures representing a low wages bill for the drivers, but this should not cause the business man to forget that economy in drivers' wages may be more than offset by heavy expenses in the running sheds.

Overheads can also be reduced by some suitable bonus scheme to provide awards to the drivers for low fuel consumption and freedom from road accidents. Many cases are on record where such bonuses have resulted in

(Continued on page 42)

KNOW What Your Vans Are Doing

The employer of road vehicles must know exactly, each day, each hour, just what every one of his vehicles is doing. Important as this information was a few months ago for proper cost compiling, it is doubly important now, since Act of Parliament demands the keeping of accurate records.

A small automatic recorder is on the market which infallibly charts the duration of every stop and movement a vehicle makes day or night. Attached to the vehicle, this instrument is tamper-proof and self-recording from 12 hours to 8 days. The paper charts it records automatically present an exact history of the vehicle.

consider the circumstances of the transport system of a firm with, say, 10 to 20 vehicles of from 4-ton to 10-ton pay-load capacity, used for carrying goods within a radius of about a hundred miles of some large industrial town.

These vehicles may well cover 100,000 to double that number of miles a year without anything elaborate in the way of garages or workshop premises, which means that the transport can be run with quite moderate overhead costs. Nevertheless, overheads must be kept down.

If the firm cannot afford, or do not deem it desirable, to erect and equip really first class garages and repair shops, they can at least begin their attack on overhead costs by disposing of all old and obsolescent vehicles, which are expensive to run and maintain. This will enable the users to lay

-Business for These 2 Firms

with its overseas members or clients in this way, the "frozen" attitude which the formal report implies has more than double the damping effect.

There is a sound foundation for the manner in which overseas connections and customers of most British concerns regard the parent company at home. "Oh, it's no good sending that suggestion to head office; they don't care — what we're up against. All they want is orders, not suggestions." Too often, through lack of thoughtful management at home, that is the attitude of mind which is forced upon the overseas outposts of firms.

In our own case, for example, the subject of our world phone conference *could* have been transmitted by cable to our overseas folk.

We had just concluded our financial year; and a very successful one it had been. Total sales up by 120 per cent on the previous year, orders obtained during the two closing months alone totalling over a million pounds sterling. Something, indeed, over which the management, and particularly the sales

side, of any producing concern could well rejoice.

To our overseas colleagues, all of whom had contributed their quota to that 120 per cent rise, our final financial result could, as I say, have been communicated by cable: "Financial year shows so-and-so result. Sales up so much. Fine results. Congratulate you your part. Keep it up. . . . London."

The Message was "Sales Up by 120 per cent."

What a stimulating effect such a message in cold print would have had on our staffs in South Africa, India, Australia and elsewhere who had worked so well over the year! Impersonal, distant, so matter-of-fact, that message would have entirely lost the inspirational effect of such a fine year's work.

So the whole idea behind the wireless-phone conference plan was to get this message over personally and in such a way that every one of our members throughout the world would *feel* the same buoyant spirit of jubilation that

they would experience if the conference was an actual reunion of them, in the flesh, here in our London office.

Our executives and staffs in London and in the Empire stations are *friends* as well as business colleagues. But they rarely meet each other. The psychological effect, therefore, of Sydney, Melbourne, Johannesburg, Calcutta and the rest of them being able to converse with me personally, and with one another, was tremendous. Distances of thousands of miles were annihilated, and for a brief spell it was a reunion of good comradeship as well as a business meeting to celebrate a portentous event.

The personal discussion of any important business subject has an incalculable advantage over comment on the same matter by impersonal means. The actual voice of a particular individual, with its natural inflection and expression, might not at first thought be considered important; but in reality it is a thing of the utmost importance in putting over a point so that it creates the right

(Continued on page 37)

Every Traveller ON THE 'PHONE

From J. R. GALES

Sales Manager: Huntley and Palmers Ltd., Reading

As a result of the recent reduction in the scale of rentals for the telephone, plus the introduction of the "shilling-any-distance" system for calls after 7 p.m., we have been able to take a revolutionary step in the direction of making our travelling sales force more efficient.

Our constitution is similar to that of hundreds of large firms throughout the country. That is, we are manufacturers of a nationally-consumed product which we distribute to wholesalers and retailers in every part of the kingdom. The selling is done by our travellers, each of whom has his specified territory, and (except in the case of London areas) is permanently resident in that territory.

By far the majority of our travellers live more than 50 miles away from our head office, which is at Reading. Under these circumstances it was formerly not possible for me, as sales manager, to have personal contact with the force in the field more frequently than once or twice a year. It is not easy or profitable to bring salesmen away from such territories as Cornwall, Wales, the North of England, or Scotland.

Our revolutionary step, therefore,

has been to install the telephone in the homes of our salesmen.

Though we are the first firm in Britain to take advantage in this way of the reduced telephone charges, and even though installation in all the salesmen's homes is not yet complete, we have already felt the benefit. For example, only a few hours before writing this short article, a query arose in one of our north-eastern territories. Normally, we should have written to our area man in Newcastle, should have had to await his reply and then, in turn, written again conveying our decision. The greater part of a week would have been occupied in this routine communication.

Under the new system, however, we simply waited until 7.30 in the evening, rang up the Newcastle man at his home and settled the whole thing in two minutes—at a cost of one shilling only.

Now this one illustration is ample to indicate what enormous time can be saved by a business house which has to deal with a wide-spread sales force or a number of scattered agents or branches. But the new telephone development

makes possible other advantages besides that of mere time saving. It provides management with an instrument for much better and more effective control.

Every sales manager knows that salesmen permanently located in territories far removed from the personal supervision of head office are apt to

*"This development
will make possible
a great speeding up
of our business. Also
it will give us much
more effective sales
control"*

suffer in a dozen little ways from the unavoidable isolation. They tend to get into a routine and gradually to look upon head office as a far-away institution having only a distant and impersonal connection with their work. Personality and intimate friendship disappear in time, and the loss definitely has a detrimental effect on the business.

Under the old system we certainly kept in touch with our salesmen by means of daily reports, but such a method does not maintain personal

relationships in a business. On the contrary, the regular exchange of written reports even builds up that kind of bureaucracy which destroys the virility engendered by a close personal association.

The farther away a salesman is from his firm's headquarters the more he appreciates occasional personal contact with his chief. A cheery word of congratulation when things are going well, an encouraging pat on the back when times are a bit difficult, or even a frank and open censure when an obvious lapse has been made has a stimulating effect on the salesman when the messages are conveyed verbally by the sales manager himself. They have not the same effect, however, if transmitted on typed report forms or memos.

The Travellers, too, Like the New Idea

Our new telephone development has, literally, put me in personal touch with every one of our distant travellers. To the men in northern Scotland, in Lancashire, Lincoln, the far west of Cornwall, or wherever it is, I can speak directly. They need no longer feel that head office is impersonal or distant. They will be able to understand now that we do not regard them solely as order-getters; they will realize that we are interested in their efforts of whatever kind, and that we are instantly ready, personally, to assist them and their customers in any difficulties. And this, we are convinced, will have a tremendously buoyant effect on our business as a whole.

As a single example of the way in which the salesmen themselves appreciate the new development, a letter from one of our distant representatives lies on my desk at the moment. The following is an extract from it:

"... mine has now been installed, and though it may be some time before one feels its benefit with regard to incoming calls it was very pleasant and, if I may say so, 'inspiring', to have a few minutes' conversation with Mr. Gales on Friday—such contact with Headquarters is good for one's morale."

The travellers will also reap benefits in other ways by having the telephone installed, ways which will also save their time and expenses.

Travellers in country districts often have to make comparatively long journeys to see only one or two isolated customers, perhaps to find, on arrival there, that their men are out, or away. Now, travellers will be able to ring up before leaving home and to ascertain if their isolated men will be available when they call.

Under special circumstances, too, orders can be secured over the phone, and a dozen and one little matters settled which formerly necessitated special calls or protracted correspondence.

As I say, it is too early yet to determine exactly what this innovation will mean to us in actual cash, but we consider it the most important major devel-

This photograph was taken as Mr. Gales, at the Post Office in Reading, signed the contract for installation of the telephone in the home of each of his salesmen. This was the first big installation contract placed by a business house for telephones under the new reduced charges



opment which we have made in sales management since the introduction of the motor-car. We are convinced that we shall gain in three ways: (a) in the better control and improved morale of the distant travellers; (b) in the actual speeding-up of settlement of queries and exchange of information; (c) in the actual cash saving represented by the

former expenditure on telegrams and expensive trunk calls where urgent matters are concerned.

Though the third factor is a considerable item in a large firm such as ours, it is far surpassed in importance by the other two which may well have a tremendous influence on our future balance-sheets.

The BROADER VIEW

By
ROBERT
R. UPDEGRAFF

The "Why" Technique

Part of any man's technique for keeping his mind open and getting fresh ideas and conceptions should be what might be called the "Why technique".

For instance, one might look at a table and say, "Why legs?" "Why its shape?" "Why its height?" There may be a sufficiently good answer to make it wise to continue legs or shape or height. If so, they should be retained. But perhaps some factor is merely traditional, even accidental.

A few years ago someone challenged the height of gas ranges, and discovered that they were nearly all the wrong height for women's convenience. The same was found to be true of kitchen sinks. They were too low.

"Why a cellar?" asked the head of a business when shown plans for a new building involving heavy costs for blasting a cellar. The architect could think of no reason except that buildings always had cellars.

"Why?" is a challenge to habit, tradition, waste, expense. A regular

use of this challenge should improve products and services, add to their saleability, reduce their cost, make them serve more efficiently.

On Capitalizing Our Disadvantages

About half of selling consists in capitalizing the disadvantages under which the seller finds himself.

If his plant or shop or organization is small, then he must make a virtue of its smallness.

If he stutters, he must make his stuttering work to his advantage.

If his price is high, he must in some fashion make high price desirable.

Whatever his disadvantage, he can be pretty certain his competitor is more afraid of it than he himself is, and is worried lest it be shrewdly used by his rival to his own competitive disadvantage.

Said Lord Riddell: "No great success can be achieved without concentration of two kinds—first, concentration on the main project, and, second, concentration on the details."

BUSINESS?

The Best Position for Years . . .

After a summer which was marked by a quite distinct July recession of general business activity, the up-swing in business has returned with a bound since August.

Normally July would show a falling off: this year the general activity index went down by six points. But in August it rose by 4.1 points—and only three times in the last six years has August shown a rise in activity. This, as we pointed out last month, presaged well for autumn business.

To-day business activity in Great Britain is approaching the high 1929 average. If we take 1924 as the normal average year representing 100, the all-in activity index to-day is 107.4, whereas 1929 averaged 110, and at the lowest point of the slump in 1931 it had got down to 93.

No other industrial country in the world has approached 1929 business activity figures. No other country shows employment figures higher than the good 1929 days. And no other shows marked increases in internal production.

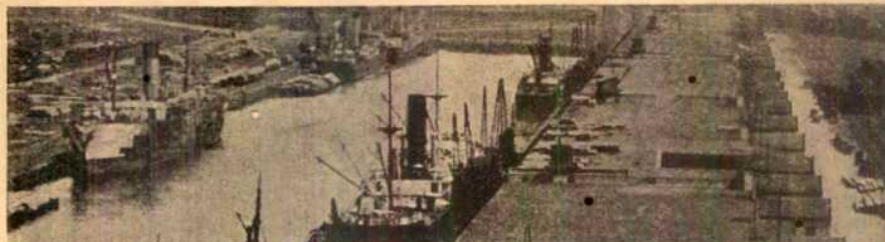
Here's a Good Picture

Why have we reached this high point? The answer is simple: because nearly every business activity and indication has shown substantial improvement in the last thirty days and the last sixty days. In order to give you the picture, we list them here briefly:

- * Unemployment down 54,500 on last month; down 255,000 on a year ago.
- * Total employment up 63,000 on a month ago; up 352,000 on a year ago.
- * Coal-mining: employment up by 3,000 on a month ago.
- * Woollens: employment up by 13,000.
- * Boots and Shoes: employment up by 11,000.
- * Pottery: employment up by 6,000.
- * Cotton: employment up by nearly 8,000.

In fact, the figures of employment in Great Britain to-day are the highest ever recorded, more than 1,000,000 above two years ago. This is one reason why business activity is the highest ever; because there are more people at work than ever before, even though there are more unemployed than at the lowest point in 1929.

Unemployment is the lowest since August, 1930. Decreases are shown in every trade but one, compared with a year ago. And last month increases in unemployment are shown only in the seasonal trades where they are expected



and we CAN keep it up!

in the autumn—hotels, building, distributive trades.

Vital Exports Are Rising

September exports make a most favourable showing—the highest of the year: £1,700,000, or 5.2%, up on a year ago; nearly £2,000,000, or 6%, up on a month ago. Almost the whole of this increase is due to manufactured goods. Iron and steel, machinery and vehicles alone increased their exports by nearly £2,000,000.

Imports are actually down on a year ago; and very largely down, by £2,000,000, on a month ago.

Production Figures Make A Good Showing

Production is up on last year wherever we have the figures:

- * Coal up by 11% on a year ago, and by 9.6% on a month ago.
- * Pig iron up by 39% on a year ago.
- * Steel up by 10% on a year ago.
- * Motor production, according to registrations, up by 12% on a year ago.
- * Electricity output up by 14%.
- * Even shipbuilding is on the climb: more tonnage launched; twice as much tonnage building as a year ago; the world's surplus tonnage reduced from 12,000,000 tons two years ago to 8,000,000.
- * The freight index number, which portrays the activity in our shipping industry: August 6% over July; September 2% over August and 17% over a year ago.
- * The only possible exception is the textile industry: cotton, wool and rayon production increased above the preceding month, but was probably somewhat down on a year ago.

Internal Trade Factors All Higher

Rail traffics are up on a year ago by 4½%.

Electricity output up by 14%.

Postal receipts up by 13.4%.

Retail sales up by 4.1%, a very marked increase; and, taking a daily average, 3.5% on a month ago.

Building activity has maintained its important position in our increased business activity. Building is naturally employing less people than in midsummer, but is employing nearly 18,000 more than a year ago. The building of both dwelling houses and factories is higher than a year ago. Big plans of building expansion and slum clearance will doubtless maintain this activity. Road building is starting on a large scale.

The new industries are contributing more than their share. More motor-cars have been registered and licensed by 12% than a year ago; £3,000,000 more in motor taxes have been paid than last year to date. Wireless shows a similar increase: licences are up by nearly 14%. In the case of rayon, few people realize that falling employment in cotton has been to a considerable extent made up by increased employment in rayon, for there are twice as many people employed in rayon as a year ago. Probably a full quarter-million people are employed against virtually none before the War.

New capital issues into business have shown a tremendous increase in recent months. This is favourable from three points of view: it shows that confidence is returning; that new enterprises and extensions of old ones are proceeding; and this will make for increased production, employment, and consumption.

For the year 1933 the total number of bankruptcies and business failures was the smallest since 1929, and the money values were the lowest in ten years.

Wholesale prices are up on a year ago by 2.3%, although very fractionally down on the preceding month. Commodity prices are the same as a year ago, very slightly down on a month ago. Food prices are 5 points up on a year ago, but 5 points down on a month ago. The cost of living is the same as a month ago, two points above a year ago, and is holding very steady.

Stock Exchange No True Guide

Do not watch the stock exchange too closely as an indication of the trade situation. The slight slump on the stock exchange since the middle of October is at once taken by some people to mean a business recession. It means nothing of the kind. The underlying cause was the fact that there

had been for two months a steady and marked rise in share values.

For the stock exchange rises *ahead* of business activity: it is a *prophetic index of future underlying conditions*. The early September rise, therefore, pre-saged the Autumn industrial upturn. Naturally, then, there must be a pause in such a rapid rise as this. Such a natural pause is always precipitated by

a sudden adverse-looking event: in mid-October the Marseilles murders, the definite confirmation of a set-back in U.S.A. business, the gloomy Royal Mail Steam Packet report, followed quickly one on top of the other and had their results. *But again, the stock exchange is affected very quickly by sudden adverse events, which may in the long run have no permanent effect.*

Basic Reason for Upturn: New Markets

It is significant that the rise in Britain's prosperity is not coming about because of the theorists' much-recommended artificial stimulus of increased prices; for prices, whether raw material or wholesale for food, have, with a few marked exceptions, increased very little since 1931. Our upturn has come about for the reason that we practical business economists have always maintained: namely, by increased business activity caused by finding new markets and by increasing consumption.

Politicians and theorists to-day, as in ages past, are trying to start things at the wrong end: at the end of endeavouring to raise prices artificially. It is the easy and quick-looking end, and the popular demagogic end. But it never succeeds. The other end, the right end, from which to approach it, is from the end of finding new outlets and markets, stimulating more and new consumption, and so increasing business activity, such increase building on itself in spiral fashion.

The Upturn CAN Continue

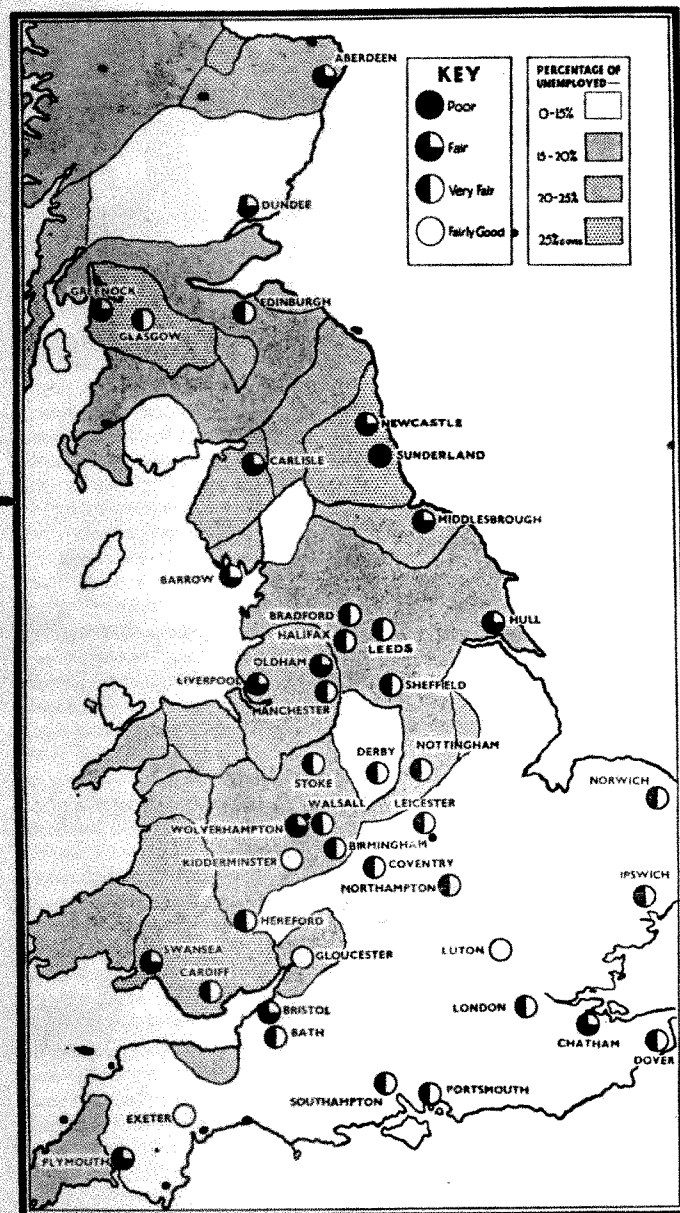
Where are we heading for in our increasing business activity? This month's figures emphasize the continued trend towards self-sufficiency, towards producing more for ourselves. Take certain broad figures:

We have reduced the volume of our imports by a third since 1930; imports of iron and steel have fallen two-thirds; cotton goods three-quarters; woollen goods by four-fifths; machinery and electrical goods three-fifths; pottery and glass by two-fifths.

As a result of this we have been able to import more food by 2%, more raw material by 5%. Compared with 1930 our volume of exports is down by 21%. But in the last two years our exports have been rising, 8% this year so far over last year, and 18% above two years ago. Our internal production, according to the latest figures, is up by 11 points on last year and 23 points on 1932. All our internal activities, such as electrical production, postal receipts, etc., are up, as we have pointed out. Our retail sales have been steadily going up this whole year.

Our own opinion has been, all along, and has been proved by developments to date, that Great Britain's upturn will *continue* so long as internally the building boom carries on and so long as externally our exports continue to show slight increases. For such increase will enable us to pay for the additional raw

HERE IS THE SITUATION THIS MONTH



London District: The trade position is encouraging. Unemployment in Greater London is down on last year, and retail trade is up. The large amount of building activity in and around London suggests that the public has money to spend. Overseas trade is good; the only factor disturbing the City is the restriction of German imports.

E. & S.E. Districts: The agricultural situation is good, and the sugar beet yield will be rather more than was at first expected. The employment position remains steady, changing little in either direction.

Midlands: The iron and steel, engineering, electrical and motor manufacturing industries report complete satisfaction with the position at present; the increased business being done in some branches of the electrical industry is as much as 100% over last year. The hardware trade alone is uncertain, owing to the fluctuating price of raw materials. Derby firms have plenty of orders, though the employment position is slow to improve.

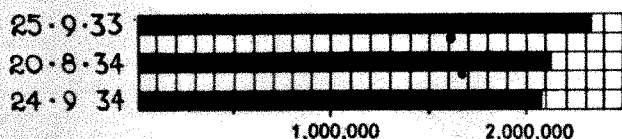
W. & S.W. Districts: The trade returns from this district showed a contraction in activity last month, but the future seems brighter. The coal industry is the chief black spot, but coastwise shipments of coal have maintained last year's standard. There has also been a spurt in shipments to Canada, and on the whole there has been some little improvement. Employment in both the coal and the iron and steel industries has been maintained, but there is little export trade.

N.E. District: The demand for coal here shows some improvement, while the turnover in the iron and steel industry has gone up by one third on last year. The West Riding woollen industry is now more active after the holiday lull, and a good deal of advance business is being done in the clothing trade. Woollen manufacturers are anxious about the fluctuations in prices. Shipbuilding in the Tyneside is bad, but it is better than it was a year ago, and there are prospects of more work.

N.W. District: The cotton trade is still quiet though there has been some improvement in exports. The engineering trade is active, and some foreign contracts have come unexpectedly to the district, as well as other home contracts.

UNEMPLOYMENT - DOWN

Number of Insured Persons Unemployed



materials we need for our increased internal production and consumption.

In fact, we could go so far as to export less and live on our "foreign fat" for a while—by which we mean sell our foreign securities—in order to maintain our internal consumption and activity long enough for the world to settle down and catch up with our prosperity.

Our excess of imports over exports this year will probably be 10% or more above last year. The increase in our "invisible" exports—shipping, insurance, banking and service fees, foreign investments interest, tourists' expenditure—may or may not bridge this gap. But within present limits this need not worry us.

Europe: International Politics v. Business

It must be truthfully said that there is no improvement on the Continent.

Politically, the situation has been worsened by the Marseilles murders, and international adjustments, peace prospects and conferences are postponed. Economically there has been no improvement. France is still struggling to stop and reverse the downward trend, although her exports seem to be improving. Germany is still without even the beginnings of a sound economic policy; the German policy of forbidding purchases of foreign exchange contracts and building up a self-sufficing economy is depreciating world commodity prices and diminishing international trade. Spain is politically disturbed. The Little Entente and the Balkan countries have taken no constructive step forward. Italy is the only one of these countries which has her economic situation in hand. The Continental outlook is a worry and a brake on our finance and security markets and a drag on our upturn.

There is some hope that the sterling bloc—France, Italy, Holland, Belgium, Switzerland—will, by forming a trading group, easing inter-trade between themselves, and following an agreed policy, improve their situation. If they do, they will also improve the prospects of Poland, the Little Entente countries and the Balkans. This would be all to the good. But it has not started yet and cannot be counted on for the immediate future. Even the possibility of it, however, is a favourable factor. For it would indirectly benefit all of us; if each of the gold countries increases its trade with each of the others through bilateral agreements (which is the present hope) it would make them all more prosperous and so eventually better customers of ours.

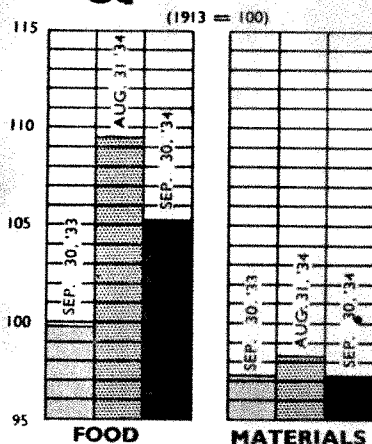
No Real Recovery In U.S.A.

In the U.S.A. the industrial trend is comparatively still downward. The situation is still one of ups and downs, and contributes nothing to international stability; in fact, the reverse. As always, the quick changes of policy and rumours of even more drastic changes produce a fluctuation in the psychological index. But anyone who hopes for an early American improvement

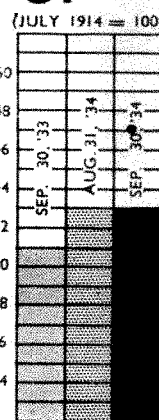
can have no conception of the vast re-adjustments that are necessary in U.S.A. finance, budget balancing, currency fallacy, reversal of radical reforms, reduction of costs, before the ground will be ready for any sound up-

turn. In fact, America's increase in prices due to the steep rising costs caused by her fantastic political interference in business are making her a negligible international competitor in spite of her depreciated currency.

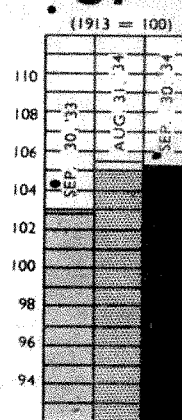
COMMODITY PRICES—UP



COST OF LIVING—UP

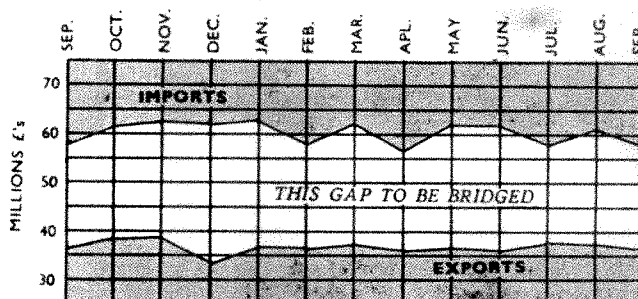


WHOLESALE PRICES—UP

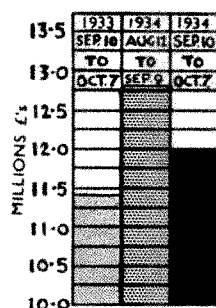


EXPORTS—UP

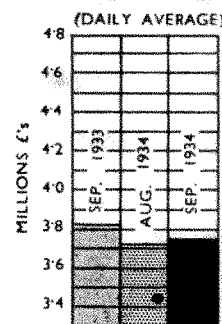
IMPORTS—DOWN



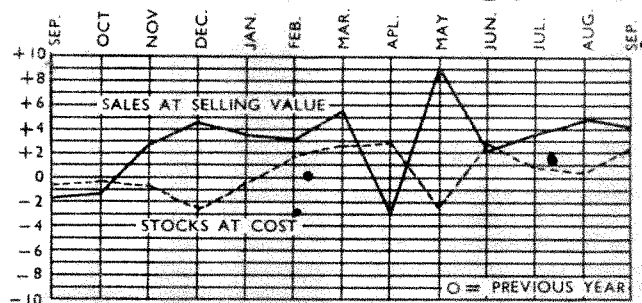
RAILWAY TRAFFICS—UP



PROV. BANK CLEARINGS—DOWN

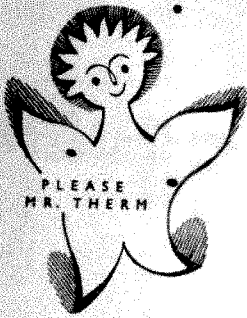


RETAIL SALES—UP



By T. W. COGHLAN
Publicity Manager
British Commercial Gas Association

This Advertising is Selling—



MORE GAS to 7 Million Families

Requiring to boost the nation-wide sale of this commodity—a commodity even of such utilitarian nature as gas—Press advertising was naturally adopted as the chief medium. In fact so important did the gas undertakings consider this single factor of their campaign that they formed the British Commercial Gas Association for the sole purpose of handling it

Eighty per cent of the home labour-saving problem is solved when heat can be supplied at will. It has been the sole aim of this Association to "put over" to the public, *via* Press advertising, this idea that, with gas, they *can* have "heat at will".

We have gone out to advertise and sell, primarily, comfort in the home; and, as an essential means to that end, gas.

We have thus sold an entirely new phase of gas usage, a phase which has been scientifically developed from old days when the limits of gas were confined to lighting, cooking and heating by means of gas fires.

As a matter of fact, the use of gas for cooking has been adopted almost to saturation point, as the following interesting figures show: There are in Britain 10,000,000 families; 7,000,000 of them have gas cookers.

Gas usage naturally did not develop alone. There came other forms of domestic heating with strong claims to convenience, cleanliness, cheapness and so on, and assailed the gas interests with keen and vigorous competition. Quite apart, therefore, from the natural desire of a progressive industry to develop

technical achievement and steadily to improve its service to users, we were literally compelled, by pressure of this competition, to put every ounce of energy we could muster into a campaign to hold all our existing consumers and to attract a vast fresh market of new ones.

It was to form and carry out this campaign that the British Commercial Gas Association was formed of representatives of gas producers from all parts of the country.

We realized that what was wanted was an intensive effort to sell the commodity, gas; and not

primarily any particular makes of gas appliances. That was the reason for the decision that the campaign should be carried through by an association, a combination of interests.

It was considered that by this means the propaganda put out could be formulated to maintain a spear-point of concentrated attack, free from the petty side-issues of particular vested interests. In other words, the campaign could be more easily shaped to give the public a straight proposition on a main issue and so avoid that fundamental sales error: getting the public "dithery" by confronting it with a confusion of ideas.

Local Poster Campaigns Linked with Main Plan

The arrangement of this plan to sell gas was that the Commercial Gas Association should conduct the main factor of attack, a nation-wide advertising campaign in the Press. Simultaneously, the individual gas undertakings would tie up in their respective local areas with local advertising and the distribution of leaflets and booklets, the matter for this purpose being provided by the central office of the Association.

The subject matter of the national and local Press advertising linked up with the matter issued in booklet form. The theme was the conversations of the now famous Mr. Therm. Housewives were depicted asking practical and pointed questions about the advantages of gas for all kinds of domestic use to which Mr. Therm replied with the necessary information.

All this, as I said just now, was aimed, not so much to sell gas appliances as to drive home the fact that gas was now available for such a wide range of domestic purposes that it was the one great means through which to obtain comfort in the home and to save the labour of the housewives.

This Competition was a Real Attention-Getter

Then we went a step further. We planned a nation-wide competition for the double purpose of:

1. Making housewives still further gas-conscious;
2. Securing for ourselves further information as to what gas users wanted in the way of improved services and apparatus.

As an inducement for the public to enter the competition on a really wide scale, cash prizes of a substantial character were offered.

The competition could be entered by filling in a coupon clipped from Press advertisements. By posting a coupon to us, competitors received a booklet which had been very carefully prepared. This booklet contained cut-outs of all the most modern appliances which could be used in a kitchen. On a separate page was the floor plan of a kitchen, and competitors were asked to cut out the gas appliances illustrated and to arrange them on the kitchen plan in a manner which they thought would constitute the ideal kitchen. Among the cut-outs were also included, apart from the gas equipment, other standard kitchen items, such as a chair, table, china cup-

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Rolaprint is more than a duplicating machine—it is a SIMPLIFIED PRINTING MACHINE incorporating all the most advanced ideas in high quality offset printing. The Rolaprint is designed to produce all kinds of first-class printed matter at a high speed. In operation it is so simple that in the hands of an intelligent junior, all your printed matter can be produced in your own office without loss of quality in printing and with a great saving in time and money.

The producing medium of the Rolaprint is a thin metal sheet from which any subject required for reproduction may be printed—your stationery, typewritten and signed letters, sales literature, folders, labels, catalogues, with any number of illustrations, either from drawings or photographs, at ridiculously small cost. Rolaprint eliminates the use of costly blocks and type, and works at a speed of 3,000 to 6,000 per hour.

Floor space for the Standard Rolaprint Machine is only 3 feet square.

The Leaders of Industry have installed Rolaprint on their premises and all are unanimous in their expressions of utmost satisfaction at the great saving effected annually on all their printing costs, due entirely to the high efficiency of this eminently successful Office Printing Machine.

MAY WE SEND YOU FULL PARTICULARS OF THE
ROTAPRINT MACHINE?

Telephone: Central 5655 (5 lines)



KAY'S **Rolaprint**
AGENCY LTD.

57, HOLBORN VIADUCT, LONDON, E.C.1
Also at BRISTOL, BIRMINGHAM, LEEDS, SHEFFIELD, MANCHESTER

USE LMS WAREHOUSES

THE CHEAPEST WAY OF STORING

Storing with the LMS is the cheapest and the most convenient way. There are 400 LMS Warehouses at the country's most important trading centres. The best thing to do is to keep a stock of your goods with the LMS in every district where you have customers, and where you particularly want to develop a new market for your products. Then, when you get an order you have only to telephone or wire the warehouse nearest the customer and the LMS will deliver immediately. In many of the more important centres facilities for the storage of traffic under bond are available with the LMS. Reserved spaces in LMS Warehouses are let at rentals ranging from £5 5 0 per annum (London £6 per annum). Storage ground, with all the advantages of rail connection, can be had at most of the Company's Goods Stations.

FULL PARTICULARS from any LMS Agent or from Chief Commercial Manager,
Euston House, Dept. B.A.12, London, N.W.1

If it's Possible It's *Profitable* . . . to **Do It By Machine**

"To survey all our mechanized office systems would take a week. It would take a day even to explain the forms used by our accounting and tabulating machine batteries, quite apart from the other types of accounting machine in use.

"We have what we believe to be one of the largest installations of this type of machine in the country and we make tremendous use of it.

"To take another field, we use 'Parts Lists', which form the schedule basis for the various manufacturing processes, some 500,000 a year. Were these to be handwritten, as they used to be, the multiplicity of errors, even with the most careful work, would make it impossible to carry on our business. As it is, duplicating machines of simple type suitably placed through the organization ensure automatic accuracy at all stages.

"A centralized department with calculating machines of the full keyboard, key-driven type, checks every calculation made throughout the office. These machines provide the keystone to accuracy without which we could not have the full confidence we now enjoy."

This Man's Job: To find Machines and Methods

Three features of mechanization method in this firm are striking. First, it is the whole time job of one official to investigate new methods and machines: to evolve practical applications of them to the needs of the firm; then to supervise the resulting routine. Thus the routine is constantly being overhauled and fresh methods and machines applied to get the maximum efficiency.

Recently, for example, he spent two weeks in Germany investigating one

type of duplicator. As a result the firm has installed the first duplicating machine specially designed for posting ledger accounts to be seen in this country.

Second, machines having a general application are chosen with an eye to overall requirements rather than for the needs of a particular job. Calculating machines of a capacity above the normal routine work they do prove the wisdom of this method when stock-taking at the end of the year is in progress. Their capacity for handling huge valuation figures then proves indispensable.

Third, when a machine method has been visualized, the manufacturers of all machines which seem capable of fulfilling the requirement are invited to demonstrate the capacity of their products, so that the machine most suitable may be proved by practical test.

For example, a machine was required recently to post the Purchase Journal, casting the columns in the process. Several machines were tried, but some failed because, although they could reproduce the figure work, they could not write in the firm name, or description of article. This at once narrowed

Control, via the Speed, Accuracy and Flexibility of office machines, has built this great business. To-day it is one of the most scientifically mechanized concerns in the Kingdom

From

an Interview by

**C. H. Costello,
A.C.I.S., A.C.W.A.**

with

The GRAMOPHONE Co., Ltd.

the field and the most suitable machine soon emerged from this practical test.

In the various departments 4 types of calculating machine are in use—two barrel type and two full keyboard.

4 Types of Calculating Machines: What they do

The barrel type machine used in greatest numbers is the leading machine of its kind in this field. Machines of various capacities are used including the most elaborate which has a capacity of $10 \times 10 \times 15$, tens transmission throughout, sight dials for each register and unique automatic transfer of products from the product register to the setting levers. This enables continuous calculation without hand setting the products, it eliminates human error. Subtraction is made by reversing the operating crank.

The other type of barrel machine has not automatic transmission of products; it is, however, electrically operated. These machines are used for the calculation of cost of each model, cost of each piece part, percentage sales in countries, zones, etc.

The full keyboard machines are used where much addition and subtraction occur. One of the types in use was specially selected because it has treble sight dials in the product register.

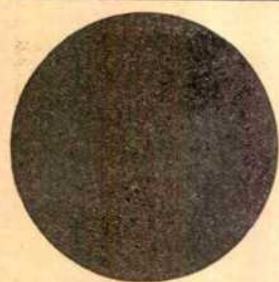
(Continued on page 38)



Punching equipment and staff of The Gramophone Company engaged on tabulating work. Mr. Costello describes these operations



THIS IS THE SECRET



By an extremely simple application of the "cam" principle, the National Accounting Machine can be adapted in less than 10 seconds to almost every conceivable variety of

accounting routine; and the high efficiency of its performance remains constant on whatsoever task it is called upon to do. "NATIONALS" never stand idle.

NATIONAL

ACCOUNTING MACHINES

225 TOTTENHAM COURT ROAD, LONDON, W.I.

Plenty of NEW IDEAS

This Office of Steuart Films is Full of Them



SPACE WAS LIMITED SO MOST OF THE FURNITURE WAS BUILT IN

L EFT: A bit unconventional for a directors' room, don't you think? It is, but the directors had their own ideas when specifying this built-in desk.

The intervening screen prevents the worker on one side from interrupting the worker on the other. This is necessary for, although each director is managing a very different

type of work they must be in constant contact. Telephoning takes up time; separate desks take up space; this plan solves all the difficulties. The double windows keep out traffic noises and diffuse the light evenly throughout the room.

No space is wasted; an old fireplace, no longer needed when the offices were reconstructed, now accommodates a safe. Apart from the double-duty desk, the only other furniture in the room is a filing cabinet for confidential documents and four small chairs. The directors consider that a large well-furnished office attracts callers who are *not* always eager to leave when their business has been concluded. The severe, though by no means unfriendly atmosphere of this office has just the opposite effect. For artificial lighting note the adjustable individual units over each desk.

One of the directors is Mrs. Steuart; she saw that, in periods of high pressure work, square corners on the desk might well mean bruises, so with characteristic feminine directness she had the corners rounded.



C ENTRE: The general office was planned as carefully and as simply as the directors' room. As much furniture as possible is built-in, this means that space is economized. When expansion becomes necessary complete units are added instead of the usual practice of adding odd bits of this or that. The pendant lights are very interesting. The firm's job is film-making; their own lighting experts designed these so it can be accepted that they are efficient. The proper size and shape of the conical lamp shades are optically accurate, so that a light source with the minimum of current consumption gives a first-class intensity on any work in hand. There is no "general" lighting in the room. Each of the typists' desks and the two drawing-benches in the foreground has an individual light. This has the effect of isolating the worker and of enabling each to concentrate on her work.

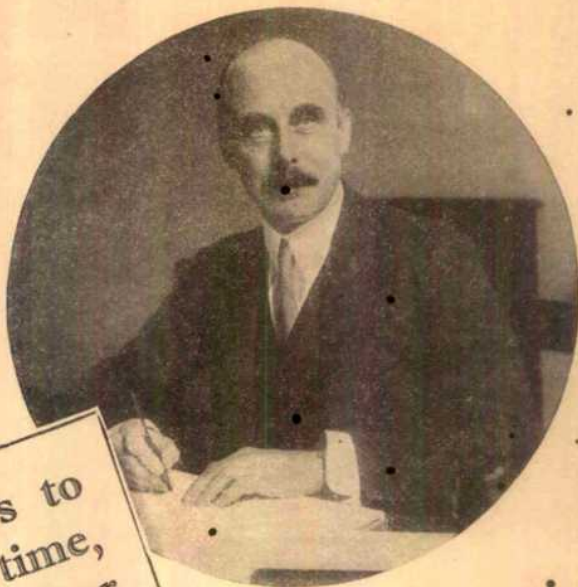
The typists' desks have no drawers in them, so the accumulation of—well it has been called "junk"—is prevented. A visitor is impressed by the

extreme tidiness of the whole office.

R IGH T: There are not many double windows like this in London. But a film company knows all about lighting, so what it puts into practice in its own premises can be considered well proven. The idea is this: There is the outer window of plain glass for use when direct light is wanted on limited areas. But when an evenly distributed light is required, and particularly when the sun shines directly on the windows the translucent inner windows are folded across. This helps also to baffle the outside noise, a godsend with heavy traffic near-by.



The Post Office is out to help YOUR BUSINESS



SIR
STEPHEN TALLENTS
K.C.B., C.B., C.M.G.
Public Relations Officer
G.P.O.

11 specific ways to
save your time,
money and temper
explained here by the
man who knows



The recently passed slump years had a devastating effect in many ways.

Wise business organizations, however, utilized that period in which to make long-shot preparations for the fresh prosperity that they knew was not really far away.

The Post Office was no exception; its engineers and their technical and business staffs worked vigorously on a multitude of problems and new ideas, in order to be able to fulfil the part which would be demanded of it when trade increased.

Trade has increased. This year saw the birth of a new era of prosperity which, I am confident, will still further expand with 1935.

The rapid development of the telephone system has been proceeding continuously throughout the country, and money has been spent on equipping exchanges with modern apparatus, on the improvement of speech transmission and the construction of new cable routes.

ONE: Automatic exchanges are being erected at the rate of 200 per annum, and the process which has been going on during the last two years of converting switchboards throughout the country in order to provide for "On Demand" working is now almost complete. To-day most subscribers can now be connected to any other subscriber without replacing the receiver.

TWO: In order to increase the use of the telephone in this country and thus to give a further impetus to trade and industry, substantial reductions of telephone rates and of trunk charges have just been brought into operation.

Many of the new facilities inaugurated in connection with the telephone service are the outcome of consultations between business men and the Post Office.

THREE: It is now possible for a representative visiting a town to arrange with the local Post Office for a series of consecutive telephone calls to prospective clients. Time is thus saved by fixing a programme of interviews after a telephone conversation with the tradesmen it is desired to see.

This system, called "block telephone calls" enables executives to be seen at hours convenient to them and the representative and ensures that the available time of the representative is utilized to the greatest advantage. The local Post Office will supply accommodation and telephone and give the required telephone calls in series.

FOUR: Telephone conferences are becoming increasingly popular in this country, and executives at places as far apart as Glasgow, Leeds, Cardiff, Southampton, can be brought into the same telephone circuit as the headquarters of the firm in London. The charges

involved, which vary according to the number of towns included in the "conference", are very small in comparison with the sums saved in railway fares, hotel expenses and loss due to the withdrawal of executives from their fields.

FIVE: The "personal call" service, by which the subscriber is connected with a specified person, has considerably reduced the telephone charges and time wasted in waiting for a member of a large business concern to come to the telephone in response to a call.

SIX: Express letters may be dictated over the telephone to the postal telegraph office for delivery by special messenger. This service is available during the hours of telegraphic business at the office selected, and is of particular value for communicating with persons who are not themselves telephone subscribers.

SEVEN: A night telegraph letter can be telephoned up to midnight for delivery at addresses in most towns in the United Kingdom. The letter must be directed to a postal address and will be delivered with the early morning delivery of letters on the following day. This service is useful on occasions when the last mail dispatch has been missed.

EIGHT: If it is desired to catch an outgoing mail from the Head Post Office for which the local posting is too late, a "telephone letter" may be sent. Such messages may be dictated by telephone to the Central Telegraph Office

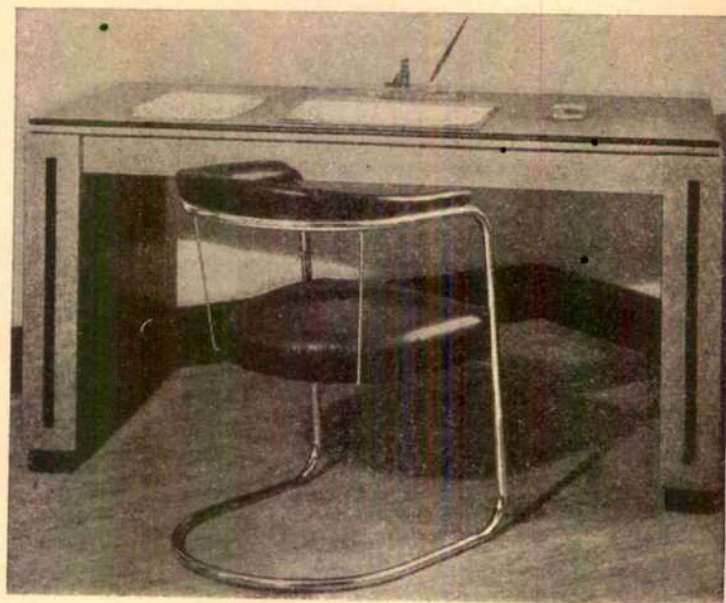
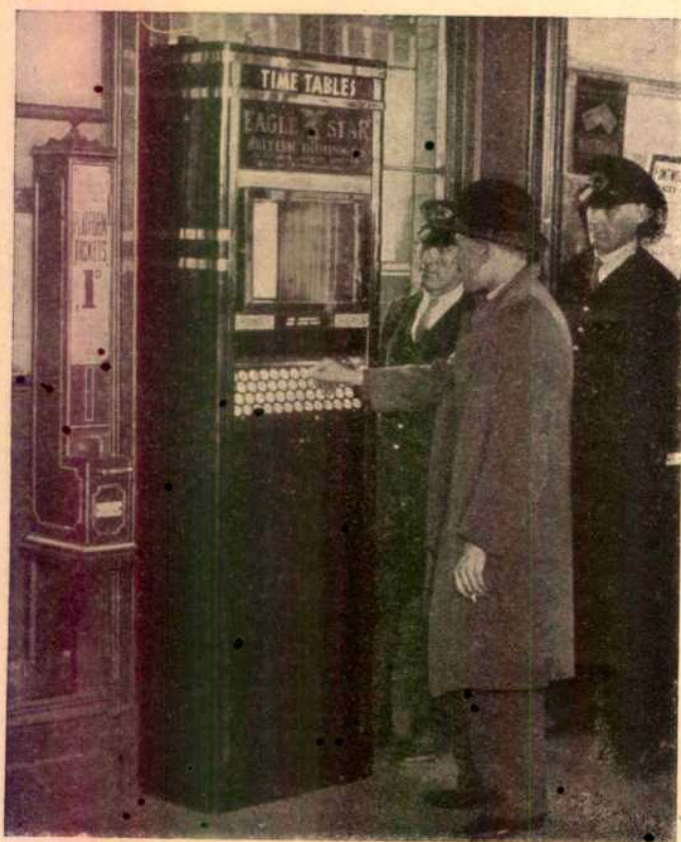
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AMONG THE LATEST in BUSINESS EQUIPMENT



The special feature of this new model material is the high degree of accuracy in fine detail which it gives. It is extraordinarily light and impervious to heat and cold

Below: The 'mechanical informer'. Pressure of a button gives the enquirer information about train or bus times; where to find departments in a store; prices at bargain sales, in fact it gives any information usually given by circulars, window bills, signs, etc., and gives it more cheaply. It is electrically operated



This type of steel equipment is being more and more used in modern offices. With steel body in plain or stippled shades of green, blue, maroon, bronze, etc., and tops of 'battleship' linoleum, it fits admirably into present-day colour schemes of office furnishing. But appearance is not the only virtue of this equipment. It is used also because of its hygienic efficiency



This new electric typewriter is an innovation on the market. Every movement is power operated from the keyboard: i.e., shift key, back space, tabular key, letter space, ribbon release, line space, and finally the heaviest movement in the typewriter, the carriage return. Another feature is that no matter how uneven the typist's touch, the finished impression is uniform. This impression can be varied from the lightest to the darkest by the touch of a control. The key depression is $\frac{1}{4}$ th inch compared with $\frac{1}{8}$ ths on a manually operated typewriter, and similarly the banking of the keys is in eighths of an inch, making the operation of it simple and tireless. The fact alone that the keys have to be depressed only $\frac{1}{4}$ th of an inch considerably increases the speed of typing, apart from the fact that all other movements are also power operated

(Continued from page 33)

in London, or to any provincial Head Office.

NINE: Normally, there is no delivery of letters on Sunday in London, yet a provincial correspondent, by addressing the letter to the Central Telegraph Office, London, and marking the envelope conspicuously: "For telephone delivery on Sunday", may ensure that correspondence is delivered without delay.

TEN: The Post Office has recently introduced the "Transferred Charge" service, and already appreciation of this new facility has been expressed by business firms throughout the country.

This service enables the representative of a firm to reverse the charge for a telephone call, provided that the called subscriber expresses willingness to accept the call and pay the charges involved. The advantages of central control of telephone costs to representatives in the field are obvious.

ELEVEN: To-day, London occupies the proud position of the "World's Switchboard" due to the international telephone activities of the Post Office. British subscribers can now obtain communication with over 33,000,000 of the world's total of 35,000,000 telephone users. This position is remarkable in view of the fact that, just after the War, this country had telephone communication with two countries only: France and Belgium.

Do You Know That—

Every year more than 6,700,000,000 letters are handled by the Post Office? 50,000,000 telegrams are transmitted annually?

Over 1,600,000,000 telephone calls are dealt with each year?

The total annual value of the transactions with the public exceeds £900,000,000—a sum greater than that of the national Budget?

Each year more than 6,700,000,000 stamps are sold over the counters of 24,000 Post Offices?

Last year, approximately £200,000,000 of Savings Certificates were bought and sold?

£36,000,000 was paid in War Pensions last year, and twice that amount for Old Age, Widows' and Orphans' Pensions?

These services give an indication of some of the operations of this great organization.

Persuasion

Those who are wont to belittle the art of advertising might be reminded of Matthew Arnold's statement, that "persuasion is the only true intellectual process".

How long does a Waterman's Pen last?

We asked the question: "How old is your Waterman's?" and thousands of grateful owners took the trouble to answer it. Of these—

34 claimed 50 YEARS' SERVICE

329 claimed 40-50 YEARS

1810 claimed 30-40 YEARS

1793 claimed 20-30 YEARS

So Waterman's go on and on and on. There is no limit to their life. Pens bought in the first year of manufacture still in use to-day. They have lasted 50 years; they may well last 50 years longer.

THE PEN OF PROVED PERFORMANCE

For those Special Gifts to Clients

This Christmas

Waterman's

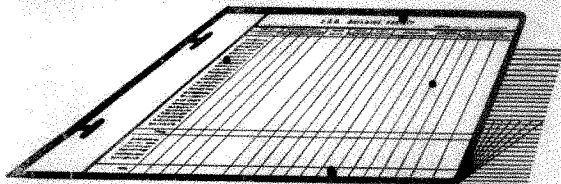
"Jubilee Year" Pen with the Tip-Fill Feed, 27/6 & 32/6
or—Waterman's "Good Companions" Set (Pen, Pencil and Ink) in
smart, coloured Presentation case, 30/-. .

Other Waterman models from 10/6. Empire made. Cf Stationers, Jewellers and Stores. &

L. G. SLOAN, Ltd., The Pen Corner, Kingsway, London, W.C.2.

LOOSE LEAVES • DIRECT FROM THE MAKERS

ANY PRINTING
ANY RULING
QUANTITY
OR SIZE



● MAY WE QUOTE FOR YOUR PARTICULAR REQUIREMENTS?

THE BRAVON LEDGER CO.
BRADFORD-ON-AVON, WILTS [(Works—Phone 93)]

[London Office (Phone Westminster 6374)]
76 VICTORIA STREET, WESTMINSTER S.W.1

IT WILL
PAY YOU

A bad blunder...



ANOTHER CATALOGUE in sore distress, on account of poorly printed illustrations. Not the printer's fault. But somebody had blundered. Probably, because the catalogue ran into some hundred pages, with three-colour half-tones predominating and large size black-and-white tone illustrations on the balance of the pages, some responsible executive had mooted the idea of trying out cheap engraving. A typical instance of the folly of not hiring the most efficient craftsmen for the job. Get to know *Nickeloid*, leaders among the master-craftsmen of process-engraving. *Nickeloid* representatives are at the service of plate-buyers in most areas of Great Britain and Ireland. The *Nickeloid* Electrotype Co., Ltd., Printer Street, London, E.C.4.

WRITE FOR FOLDER, "ARCHITECTURE"

Nickeloid

CREATIVE PHOTOGRAPHERS & BLOCKMAKERS
P424



NO MORE DISPUTES ON PAY DAY

BUSINESS houses are eliminating unpleasant wage disputes by employing LANCASTER'S NEW PAY WALLETS—the really efficient pay envelope. Employees can check their money—even handle their notes, without extraction and without tearing the wallet. In case of a mis-count, wages can be easily checked without opening, the sealing being absolutely secure and permitting of wages being made up and sent any distance without risk. Yet LANCASTER pay wallets are with practice speedier than the ordinary transparent envelope because notes need not be folded.

Free sample Wallets
and Prices on request.

LANCASTER BROS. & CO.

Cash Bag and Envelope Specialists
Shadwell Street
Birmingham 4

600% TURNOVER RISE

in 18 months



This is, or rather was, a very small business. Miss E. Elkan, with office machinery *plus* keen business instinct and boundless energy, built it up into a flourishing concern

stand the occupant of which advertised herself as "the secretary on the spot", to whom dictation and instruction could be taken in English, French and German. The service was used extensively by the visitors, many of whom were foreign business men.

Made a Profit Out of this Exhibition

At the end of the exhibition the stand had paid for itself, and there was a small but welcome profit.

During the course of the exhibition a foreign business man said to Miss Elkan: "I shall be in London for another week, and I have no business accommodation for that time; I cannot very well take an office for a week only, and engage a typist. What do you suggest?" The prompt reply was: "Use my office, and use me and my assistant as your staff." The matter was arranged, and at the end of the week the business man returned to his own country well satisfied with the services which he had received.

Back in his own country, he recommended to friends the service in London, and very soon the little typewriting office was extending its hospitality to a large number of visiting business men.

This was the beginning of the complete secretarial service. Many of the visiting business men wanted private letter headings and other office stationery, and asked their temporary secretary to attend to it. Here was another opening. The letter headings were not wanted in large quantities; many different designs were desired; the cost of ordinary printing was necessarily high. Why not do the printing in the office?

An office printing machine was therefore purchased on the instalment plan, and to those using the secretarial service a personal stationery service was offered.

By this time the finances of the concern were in a sound condition, and the necessary expansions were under-

A capital of twenty-five pounds seems in these days very small to found a flourishing business, but this article shows how it has been done by judicious expenditure, feminine intuition, and flair for seeing and using opportunities.

Two years ago, in the midst of the trade slump, a typist who had ability far above the average, determined to make for herself a career other than the normal one open to her—that as secretary to some prominent business man. To a large extent this determination was forced on her, and she made her plans and put them into operation with commendable promptness.

It Started on a Capital of £25

The goodwill of a small typewriting office was obtainable for something less than twenty-five pounds. After examining the proposition, this lady decided to buy it, for there were prospects of expansion, and there was also a chance to put into practice several theories which had been formed during extensive service as the private secretary to a business man.

The little money which remained after the purchase was sufficient to pay one week's expenses for the small office and the single assistant.

How that week was passed, and the next few weeks, she will not tell anyone.

It was necessary to be constantly on the watch for new business, for even when an order was in the office, the young concern was living a desperately hand-to-mouth existence.

An international exhibition was due to be held in London, and this lady immediately engaged a small stand at the exhibition. When the doors were opened visitors were intrigued to see a

taken. Extra office accommodation was engaged, and the rooms were fitted with the best possible office furniture, and generally made as attractive as possible.

Next a mailing campaign was undertaken to make the service widely known not only to foreign business men, but to provincial business men visiting London for long or short periods. Here, of course, the office printing machine proved itself to be of great use.

The indoor staff which at this time numbered four people was adequate at the moment, so a traveller was engaged, and sent out to take the personal message of the offer to prospective clients, and to those people who had been already approached through the post. He was singularly successful, and even with the increased office accommodation the staff was overworked.

With this proof that the service was filling a real need, the decision to expand still further was taken.

Six new members of the staff were engaged, and special qualifications were asked for as to languages which no member of the present staff possessed. It was now possible to work not only in English, French and German, but in every European language. This meant that a fine translation business could be done in addition to the other activities of the concern.

Meanwhile, the traveller on the road found that many orders for the quick printing of office forms were available. Many firms had no need for an office

printing machine of their own, and were pleased to find that a guaranteed speedy service was to be obtained. Consequently, this side of the business grew until it became more extensive than the secretarial side.

The secretarial service was, just about this time, brought once more into a position of equal importance with the office printing side when a chance presented itself to do all the secretarial and appeal work for a large well-sponsored charity. The printing machine was called on to do all the work in connection with it, and naturally, the load of the office stationery and the letters, brochures, and other forms in connection with the charity was more than it could carry.

Further expansions were necessary; a factory was needed to house new printing machines and other allied machines for the preparation of stationery. Still further increases in staff had to be made, and the permanent service of a qualified lay-out artist had become absolutely necessary.

These expansions necessitated the use of more capital than was possible, even in the present healthy state of the concern, so a limited company was formed, with Miss Elkan as managing director, and the head of a firm for which a large amount of secretarial business had been undertaken as a co-director.

The turnover had increased 600% in a year and a half, and there were now sixteen members of the office staff alone, apart from the small factory staff.

"TOO MUCH ON THE BOOKS, SMITH—"

"Yes, there's a lot outstanding, sir, but collections are the devil just now. . . ."

You know the difficulty, suppliers pressing for settlement, and an annoyingly big amount of your own good money due in but you can't just get a real hold of it.

Here's a set of novel "account reminders", small adhesive "stickers" for attaching to invoices, statements and letters you send out. They are just enough out of the ordinary to attract attention but not of a nature to knock your customer off his dignity. In packets of 550 (50 of each) they are quite cheap.

Cartons better than paper and string

In a store which sold a great many goods of only a limited variety and size the management dispensed with the idea of paper and string on the counters. Instead, they provided the assistants with cheap, light cartons which needed sealing only at one end with gummed paper tape. This cost but a fraction more, but it saved enormously in time.

First Follow Up (Yellow)



2nd. Follow Up (Green)



3rd. and Final Applications (Red)



For Orders (Mauve)



For Cash received (Orange)



THOUSANDS of satisfied workers who are members of the Ideal Benefit Society testify to the Simplicity, Soundness and Security of its principles.

HUNDREDS of Business and Professional Men who are also members bear similar testimony, which rightly carries much weight.

DOZENS of satisfied Employers of Labour know they have done the best possible thing for their workpeople by instituting a Sickness and Savings Scheme through the "Ideal."

BUT

they don't all realise that this great Organisation has manifold activities, and that they can be insured against almost every possible contingency by one or other of its departments.

In addition to **THE IDEAL BENEFIT SOCIETY**, membership of which enables one to provide for Sickness, Old Age and Death, there are the following:—

IDEAL LIFE ASSURANCE CO., LTD.
(Life and Endowment Assurance with good Bonuses, Mortgage Assurance Scheme.)

IDEAL BANK, LTD.
(Savings made simple—good Interest Rate.)

IDEAL FIRE & GENERAL INSURANCE CO., LTD.
(Fire and all classes of Insurance business transacted at competitive rates.)

NATIONAL HEALTH INSURANCE SECTIONS FOR MEN AND WOMEN
(Give additional benefits of incomparable value.)

A Postcard addressed to—
The General Secretary
THE IDEAL BENEFIT SOCIETY
Pitnaston, BIRMINGHAM, 13
will enable you to have full particulars of each or all of these activities

For results that are— AUTOMATICALLY ACCURATE

No Specially
Trained
Operators



All calculations required in modern business can be done by Marchant Machines with a saving of 25% to 40% in time and cost.

And results are automatically accurate because all the operator's attention can be given to feeding the correct figures into the machine. Operator fatigue is a thing of the past.

Invoice, costs, percentages, pro-ratings—Marchant does them all, and more. Send for full particulars to-day.

MARCHANT CALCULATING MACHINES

- ★ FULLY AUTOMATIC
- ★ SEMI-AUTOMATIC
- ★ HAND KEYBOARD & ROTARY MODELS

100% ELECTRIC OR HAND OPERATED

L C SMITH & CORONA TYPEWRITERS Ltd.
MARCHANT DIVISION

MELBOURNE HOUSE, Aldwych, London, W.C.2. Temple Bar 2531

LIVERPOOL: Central Buildings, North John Street. Telephone No.: Bank 4657
MANCHESTER: Cromford House, Market Street. Telephone No.: Blackfriars 6268
BIRMINGHAM: 39 Cannon Street. Telephone No.: Midland 3344

1936 . . .



It hasn't come yet. Neither has the time when every Office, Study, Surgery and Consulting Room contains a Utility Safe Cabinet. But it is just as inevitable. There will come a time when that will be the case, but not just yet.

We fail to see why this is, because certainly everyone owes it to himself to have that additional security that Utility Safe Cabinets give.

The size is right (3' x 18" x 12"); the material is right (20 gauge British Steel); the lock is right (6-lever Chubb, and every one is different), and at 35/- the price is right too.

Send for a leaflet now,
and learn more about them.

The UTILITY STEEL CABINET CO. Phone:
(Dept. 8), Yarborough Road, Lincoln 477

35/-

Cash with Order.

CARRIAGE, ETC.
FREE.

Enamelled in
Olive Green, Oak,
Mahogany, Walnut.

If It's Possible It's PROFITABLE To Do It By Machine

(Continued from page 30)

enabling simultaneous figuring of total amount, discount and net figures when checking invoices.

Posting Ledger Accounts by Duplicator

By far the most novel process noted was the posting of ledger accounts by the special duplicating machine.

The first stage is the writing up of the Purchase Journal on a typewriter having two adding attachments, one each for the debit and credit columns.

The duplicating machine employs a "master" copy of special paper, glazed one side, upon which the information to be reproduced is typed. At the back is placed a hectograph carbon, carbon side next the back of the sheet, the result being a "master" in the form of a reversed positive.

The Purchase Journal sheet is therefore a master sheet so that the information recorded may be reproduced for posting the ledger cards.

A preliminary cast on the adding machine from the invoices to give a tally roll grand total for control purposes is made, then the operator posts each item to the Journal sheet: Description, Date, Name and Invoice number, then the debit and credit entries.

As each entry in the debit and credit columns is made, the adding attachments throw up corresponding new totals. A glance by the operator enables her to see that identical figures have been recorded. At the finish of each section of materials, the total is transferred from the adding attachment to the control card and the total of all control card figures at the end of the posting will, of course, be agreed with the grand total control figure already established.

The Purchase Journal "master" sheet is then transferred to the duplicating machine. It is placed head of the sheet to the left. The material ledger card is fed into the machine opposite a guide, which, working on an escapement, traverses the front of the machine a step at a time as each posting is made. The card passes through and is moistened in the process to take an impression from the "master" sheet: only the required line is duplicated. The figures appear, of course, in the debit column only. The personal account card is also passed through to receive the record of the credit entry. Each card is then carried clear of the machine by an endless band ready to return to the tray.

It is here that the importance of recording the name appears, for it is then possible to see at a glance that the correct card has been selected.

When all cards have been posted, the latest entries are cast and should reproduce the grand total figure once again.

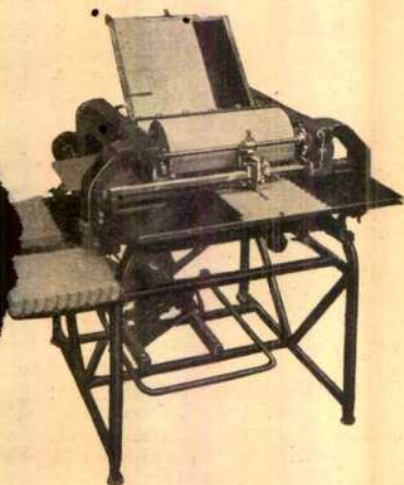
The Accounting, of course is fully mechanized

In this lightning survey of what is undoubtedly one of the most scientifically mechanized organizations in the country space precludes more than the briefest

descriptions. Two different types of machines are used for ledger posting. The first combines a full adding keyboard with a standard typewriter, giving unlimited description and visibility of work throughout.

On this machine Sales Ledgers and Statements are posted and prepared simultaneously, the Ledger being an exact copy of the customer's statement. A Journal is also produced with the Statement and Ledger, the Journal containing full particulars, relating to every posting made.

Totals of debits and credits are automatically accumulated by the machine, and provision is made for complete proof of work.



With this machine ledger posting, as described in this article, is reduced to the automatic reproduction of original entries in the Journal sheet. Errors in posting are rendered impossible

The accumulated totals are posted to Controls at the end of each day's postings, the Control cards giving the totals by Ledger sections of balances outstanding at any period of the month. An interesting feature here is that the customer has been brought to the use of code numbers, and by issuing special order pads already numbered with the customer's code number, and by addressing statements by addressing machine, of which the plates carry the code number, continuity and correctness are ensured.

The other type of accounting machine is the automatic book-keeping machine used for posting Export Customers Ledgers. A positive and automatic mechanical proof is obtained as soon as the posting is completed for the machine adds but non-prints the old balance picked up from the ledger account. After the new entry is made, the machine computes the new balance. The balance of the account is printed by depressing a key, and the amount is retained in the machine.

Upon the carriage returning to the proof tape journal, first the old balance then the item are entered a second time automatically clearing the machine if the original posting was correctly made. Should an error have been made, the operating bar locks and prevents further posting until a correction is made.

Cheque writing and Cash Receipts.

For this work the typewriter with accumulator attachments and perforating type faces is used. The cheque, cash-

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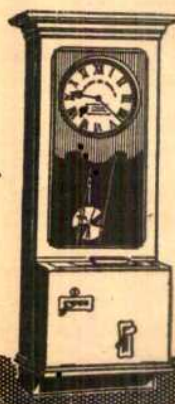
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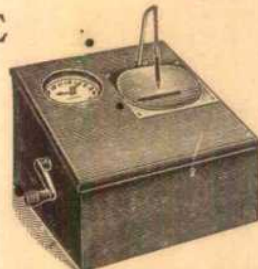
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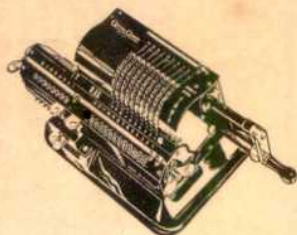


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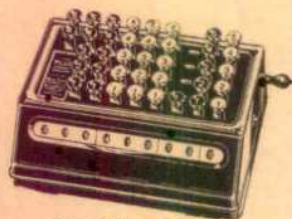
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book sheet and bank statement for payments are prepared simultaneously, thus ensuring agreement and accuracy between these items.

Similarly, receipts, bank list and posting media for stuffing the personal ledgers are prepared daily at the one operation. The perforating type faces prevent fraudulent alteration.

Tabulating Machines for a Great Variety of Work

The accounting and tabulating machine batteries cover a huge field of statistical work including stock control and costing data, which functions provide typical instances of their application.

For all incoming items a two-piece delivery note is used, of which one part goes to the Stores, and the other to the Cost Office. From the former, copies are provided for the floor, and the tabulation department.

A card is punched to record particular and all cards are checked by passing through a check punch and recapitulating the particulars from the source of information.

Similarly, outgoings are tabulated the Parts (Requisition) Lists so daily stock balances can be made by selling and tabulation, and a perpetual inventory maintained. A constant physical check of items selected at random carried out so no error in recording or pilferage can take place undetected.

Every week a full tabulation of stock which has not moved is made to ensure that capital does not remain locked up or floor space occupied unnecessarily.

Standard prices and costs are applied to every item, and all records are kept by quantity only, the barrel type calculating machine being used for extension wherever required.

The pay-roll system is based on a 47-hour week. Each item manufactured has a standard time allocated and the hours represented by each worker's output are credited to him, the excess over 47 hours representing bonus. If overtime is worked, this is paid for at special rates, and the bonus hours adjusted accordingly.

The pay-roll is prepared as to Name, Number, and Statutory Deductions on the addressing machine.

Meanwhile Job Tickets showing Hours, Rates, etc., are completed for each job and the bonus hours computed and authorized. These are sorted and cast by adding-listing machine to total amounts payable to each operative. Cards are then punched and tabulated on the progressive costs sheets to give the total amounts payable to each worker.

This brief survey of this company's organization, in so far as mechanized methods are concerned, serves again to show that machines, properly applied, not only save their cost over and over again, but open up possibilities of control such as cannot fail to ensure prosperity. And this is true to a degree, whatever the size of the organization.

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HAZARDS IN CO-PARTNERSHIP

(Continued from page 8)

fiercest opposition to reorganization by the very workers who have told the organizer six months later that they had never known before what it felt like to work under a precise and properly adjusted system of management. This objection to change, just because it is change, is certainly one of the things we have to reckon with in dealing with schemes of co-partnership. It is a reality, not to be overcome by fine words and sentiments.

In the third place, scientific management postulates action in accordance with the rules laid down in science for finding the validity of conclusions. But knowledge of these rules in the case of particular science is a matter of training. And acquaintance with the accumulated body of knowledge which has built up round any of the different parts or functions of management is a form of highly developed professional competence. That is to say, the spread of scientific management through the decisions necessary to the successful conduct of any business enterprise will tend to be less and less a question of opinion or points of view, and more and more a process of marshalling, analysing, measuring and synthesizing the facts bearing on a given situation. The decision issues as it were from the facts, rather than from any individual's authority.

In the fourth place, comes the quite practical question that consultation or participation by the workers in higher control is only conceivable by means of conferences or committees. The conference or committee involves entrusting activities to men working as, and responsible in, groups, rather than to individuals. The committee form has certain characteristics which impose very strict limitations on its utility and efficiency.

One Good Autocrat Better Than Any Committee

A committee's decisions are always apt to represent the lowest common factor of morality to be found among its members. Inertia or indecision before a difficult issue cannot be brought home to a committee as to an individual. It has been said that corporations have neither a soul to be saved nor a body to be kicked, and a committee is a fledgling variety of the corporate form.

These, then, are the four main difficulties to which I would direct attention looking at the theory and practice of co-partnership from the standpoint of scientific management.

Management is increasingly a matter of experts and the co-ordination of experts. These are tasks which cannot be entrusted to untrained common sense. Identification of all employees

(Continued on page 43)

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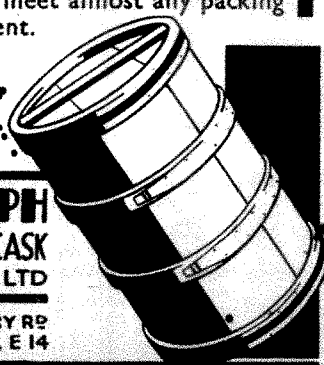
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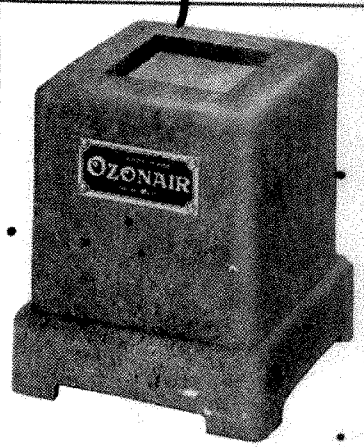
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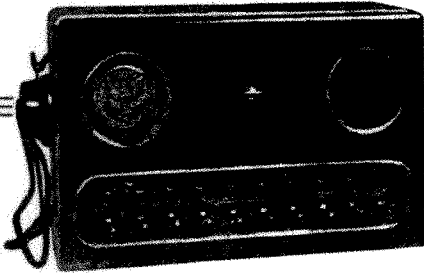
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(Continued from page 28)

substantial economies in fleet maintenance, while making for efficiency of the whole of the transport system.

Even should the demands on transport fleets be quite heavy, the capable manager will be able to regulate the traffic arrangements so that infringement of the Road Traffic Act (Section 19—Drivers' Hours) can be avoided. The use of engine governors so that legal road speeds cannot be exceeded is a useful precaution; but, even in the case of ungoverned engines, the fuel-saving bonus will produce much the same effect, since drivers will neglect no possible chance of earning the coveted bonus by treating their machines with every care and attention.

During my own investigations of this particular phase of the lorry maintenance problem, I have observed many well-kept and good-looking vehicles, bearing the names of famous concerns and, on "running them to earth" have discovered the almost primitive conditions under which they are maintained.

This applies particularly in the case of old-established concerns whose original horse stabling has been adapted for garage and workshop accommodation.

It might appear impossible to handle the repair and maintenance work of a fleet with such limited workshop accommodation available. This difficulty, however, can be obviated by calling the vehicles in for attention in accordance with a cleverly devised overhaul rota.

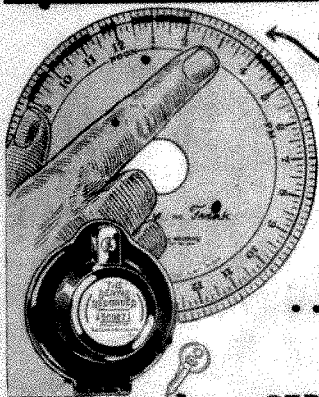
Under such working arrangements, all repair and maintenance operations are conducted on the "Little and often" principle, for the class of user I have in mind thinks twice about keeping a spare vehicle, and on the second "think" decides not to!

Similarly, spare units are regarded as too expensive luxuries, so the advantages of reconditioning vehicles by means of unit changes cannot be enjoyed. The "Little and often" system of overhaul is a real money-saver.

* Adapted from an article on this subject by the author and published in "The Gazette", the organ of the Associated Equipment Co., Ltd., Southall.

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(Continued from page 41)

with the higher administration of business must be by methods of indirect and remote, rather than by direct and immediate, control.

There is a risk that representative elements in the management of business may make it more difficult to achieve flexibility and adaptation to changing circumstances, because they will weaken the determination necessary to carry reorganization through the periods of doubt and discomfort which are the inevitable accompaniment of change.

Political Democracy No Reason for Share-Control

In so far as the demand for a share in control is based on the traditions and ideas of political democracy, it may run counter to what I believe is the dominant and most healthy tendency in the present evolution of business administration—the tendency to a functional rather than a hierarchical authority.

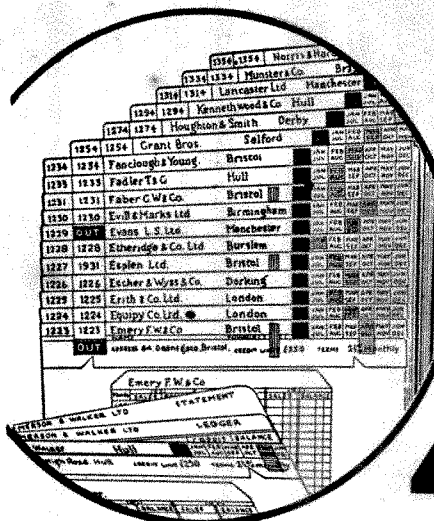
The desire of the workers, however latent, to be identified with the ownership and control of the undertakings in which they work, as well as to participate in the division of their surplus, is a fact. The central problem facing co-partnership and scientific management is to reconcile this desire with the necessity for absolute efficiency.

EDITOR'S NOTE: This article is abstracted from an address on *Co-partnership and Management* delivered to the Annual Congress of the Industrial Co-partnership Association at Somerville College, Oxford, 22nd July, 1934. Space prevented our utilizing more than this one particular portion of Mr. Urwick's excellent paper.

Putting New Life into an Old Business

(Continued from page 21)

interested in them. The conferences were made as informal as possible, and very little was mentioned about marketing plans and so on. The managing director, who, fortunately, was a keen salesman himself, though he could not spare the time to concentrate on selling, mixed among the salesmen, went to their picnics, went to their dinners,



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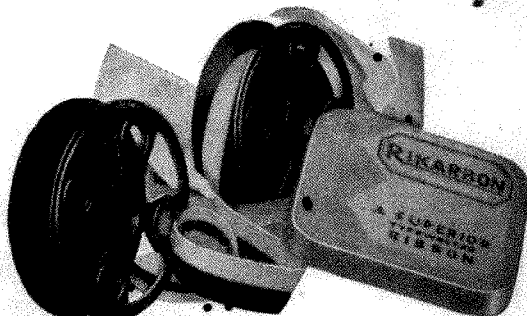
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cracked jokes with them, and so on. The consequence was that the salesmen went back to their grounds feeling that, after all, the people at headquarters were pretty good.

This Club Idea Worked Well

It was further decided to develop some sort of additional incentive besides salary and commission, similar to that which obtains in America called the Fifty Club.

This system provides that if a man gets up to a certain quota he becomes a member of the Club, and is invited to a dinner, and so on. The system seems to work well in America, but it may mean that you may always have only a few members of the staff getting these little privileges and dinners, and the men who do not receive them lose interest.

A variation was decided upon. Each man was set his quota, and it was decided that it might be a good plan to offer a prize to the man who achieved the greatest increase over his quota. This had very much the same result as the Fifty Club scheme; it simply meant that one or two men were always getting the £5 or guinea prize, or whatever was offered. Then a prize was offered for selling a specific quantity of a certain line that was introduced, which has worked out fairly well from the point of view of the management, and has been continued, although again it means that one or two of the best salesmen are always getting the reward and that the poorer or the junior salesmen have not much chance of obtaining it.

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[EDITOR'S NOTE: The above interesting example of improvement in sales management is abstracted from the account, published in "Marketing," of an address given before the Incorporated Sales Managers' Association, at Manchester, by R. Simmatt, M.A., of the National Institute of Industrial Psychology.]

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